

The NATIONAL UNDERWRITER



DRIVING HOME A DRIVING LESSON ➔

"AMERICAN ingenuity has produced a super-efficient car; but American carelessness has made them ghastly weapons for killing our neighbors."

So states an article recently published by a popular pictorial magazine. And the article proves that statement with a series of gruesome, on-the-spot photographs showing the tragic consequences of poor driving . . . consequences that resulted, in one year, in 40,000 dead . . . 1,400,000 injured . . . \$1,900,000,000 in damage!

To reduce this staggering toll, several possible cures are suggested . . . such as

better driver training, uniform license and traffic laws, and highway improvement. The article concludes with a series of 20 pertinent questions testing the general reader's ability and fitness to drive a car—safely.

Impressed by the urgent need for more publicity of this kind, the National Conservation Bureau, a unit of the Association of Casualty and Surety Executives, has reprinted this article in pamphlet form. To date hundreds of thousands of copies have been distributed through its member companies . . . another step in the constant war against this growing national problem.

A multiple line organization
reinsurance



transacting all forms of
except life

Casualty and Bonding Lines

**GENERAL REINSURANCE
CORPORATION**

Fire and Allied Lines

**NORTH STAR REINSURANCE
CORPORATION**

90 John Street, New York 7 • 200 Bush Street, San Francisco 4

THURSDAY, NOVEMBER 14, 1946

Consult the
MARINE OFFICE
of AMERICA
ON YOUR OCEAN CARGO
PROBLEMS!



MARINE OFFICE
of AMERICA

116 JOHN STREET

NEW YORK 7, NEW YORK

WESTERN DEPARTMENT
 Insurance Exchange Bldg.
 Chicago 4, Illinois

PACIFIC DEPARTMENT
 340 Pine Street
 San Francisco 4, California

SOUTHERN DEPARTMENT
 Canal Building
 New Orleans 12, Louisiana

NORTHWESTERN DEPARTMENT
 Colman Building
 Seattle 4, Washington

SERVICE OFFICES

Baltimore, Maryland
 Boston, Massachusetts
 Cleveland, Ohio
 Detroit, Michigan
 Houston, Texas
 Indianapolis, Indiana
 Jacksonville, Florida
 Los Angeles, California
 Philadelphia, Pennsylvania
 Pittsburgh, Pennsylvania
 St. Louis, Missouri
 Stockton, California
 Syracuse, New York

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

Calif
 Offer
 for M

Stat
 Rate
 Inac

LOS
 tion to t
 had been
 Farmers
 Exchang
 cific Ind
 Californi
 at its fir
 company
 the bill
 surers an
 and brok
 of this m
 departme
 the legis
 Californ
 randum,
 go beyon
 meet the
 public la
 trust stat
 be fully

Collabor

The m
 those wh
 are "stat
 operation
 ual views
 in an en
 that woul
 tion of
 Many of
 excess an
 in the pu
 provides
 most eve
 rates wou
 fornians,
 New Yor
 tion of t
 ict, the
 for the y
 \$1,505,305
 245 whic
 California
 The m
 never the
 upon the
 into milli
 anti-trust
 mum of
 minimum

Purpose

The pu
 to prom
 ating rat
 not be un
 the solv
 dangered
 cooperati
 other ma
 act. The
 much em
 essential
 Nothing
 to perm
 where t
 value of
 be seriou
 The ad
 with ex
 the same
 There
 ative ac
 by which
 (C

Californians Offer Substitute for Model Bills

**State Could Challenge
Rates Alleged to Be
Inadequate, Discriminatory**

LOS ANGELES—A bill in opposition to the all-industry proposals, which had been drafted by Fireman's Fund, Farmers Automobile Inter-Insurance Exchange, Pacific Employers and Pacific Indemnity, was presented to the California legislative interim committee, at its first session here Tuesday. The accompanying memorandum states that the bill was drafted by California insurers and approved by California agents and brokers organizations. Proponents of this measure hope to have it made a departmental bill when it comes before the legislature.

Californians, according to the memorandum, believed the all-industry bills go beyond that which is necessary to meet the requirements and intent of public law 15 and the spirit of the anti-trust statutes if the public interest is to be fully considered.

Collaborators Are Competitors

The memorandum points out that those who collaborated in the drafts are "staunch competitors in the field of operations." They overlooked individual views and competitive considerations in an endeavor to reach an objective that would meet a reasonable interpretation of what Congress had in mind. Many of the Californians believe that excess and unnecessary regulation is not in the public interest. Regulation that provides for specific approval for almost every act performed in developing rates would be a costly venture for Californians, the memorandum states. In New York, for instance, where legislation of the all-industry stripe is in effect, the insurance department budget for the year ending March 1, 1947, is \$1,505,305. This compares with \$382,245 which is the cost of operating the California department.

The memorandum declares it was never the intent of Congress to impose upon the citizens additional cost running into millions. The very purpose of the anti-trust laws is to invite the maximum of competition and, therefore, the minimum of regulation.

Purpose Is Stated

The purpose of the act is stated to be to promote the public welfare by regulating rates to the end that they shall not be unfairly discriminatory and that the solvency of insurers will not be endangered, and to authorize and regulate cooperative action in rate making and other matters within the scope of the act. The memorandum states that too much emphasis cannot be placed on the essential test of the adequacy of rates. Nothing could be more detrimental than to permit an inadequate rate level where the result would be that the value of the insurance would ultimately be seriously impaired.

The act covers all forms of insurance with exceptions that are substantially the same as those in the all-industry bill. There is a section captioned "cooperative action" which sets forth means by which two or more insurers may act

(CONTINUED ON PAGE 13)

Study Effect of Elections on Commissioners

LANSING—Although Republicans retained their hold on Michigan's state administration at the Nov. 5 election, fears were being expressed this week in insurance circles that Commissioner David A. Forbes might not be re-appointed by the incoming governor, Kim Sigler.

The commissioner, an appointee of the outgoing executive, Gov. Harry F. Kelly, who did not seek reelection, has been given expressions of strong support by Michigan agents through resolutions adopted at the conventions of the Michigan Assn. of Insurance Agents and its affiliated Upper Peninsula Assn..

Division in the Primaries

Sigler, however, campaigned on a platform critical of the existing administration after having won the Republican nomination in a primary campaign in which Kelly and other major state officers gave their backing to Lt. Gov. Vernon J. Brown. The successful candidate has let drop broad hints that he intended to "clean house" among the capitol's appointive officials. Nothing specific has been heard, however, relative to Commissioner Forbes' status and it is certain that many Republican leaders who helped Sigler gain election will endeavor to persuade him to retain the insurance department head who has gained much recognition.

FISCHER MAY LEAVE

DES MOINES—Appointment of Iowa's next insurance commissioner will be up to Gov. Blue who, reelected last week, will be called upon to make a selection next spring.

The term of Charles R. Fischer as commissioner expires next July 1 and the appointment for the next four-year term must be sent to the legislature for confirmation.

Mr. Fischer has indicated to friends that he probably will not seek reappointment and would prefer to move to Arizona for his health. Whether Blue will offer the position again to Mr. Fischer is not known. He was first appointed in 1939 by Gov. George A. Wilson, who is now a U. S. Senator, and then reappointed in 1943.

JOHNSON'S FUTURE UNCERTAIN

ST. PAUL—There is some speculation among insurance men whether there will be any change in the insurance department when Judge Youngdahl takes over the governorship in January. He and Commissioner Johnson are of the same political organization but the commissioner has not indicated whether he wants to remain in office after his six-year term expires in February, 1947. He is a past president of N.A.I.C.

Berge Is Reassuring as to FTC

Especial interest has been taken in the comments made by Wendell Berge, assistant U. S. Attorney General in charge of the anti-trust division, on the subject of the federal trade commission act, in addressing a joint meeting of the West Virginia Assn. of Insurance Agents and school of business administration of University of West Virginia at Morgantown last Friday.

His remarks on this subject were underscored by those who two weeks earlier had followed Mr. Berge's remarks at the meeting of the insurance section of the American Bar Assn. at Atlantic City. At that time, during a question and answer period, he made some observations that were somewhat disquieting to those who believe that it is possible to enact state legislation that will oust the federal trade commission from operating in the insurance arena. Mr. Berge's remarks at the West Virginia meeting were reassuring. The significant paragraph in that speech reads:

"The question as to whether the states shall legislate with respect to rates, and with respect to unfair trade practices is one for their own determination. If they desire to legislate in these fields, they must do so adequately and affirmatively, if, within the meaning of section 2(b) of public law 15, they wish to secure immunity from the Sherman act and the federal trade commission act."

New Orleans Wharf and Sugar Loss \$500,000

**Quarter Mile Structure
Destroyed—Marsh &
McLennan Is Broker**

NEW ORLEANS—Loss estimated at \$500,000 occurred Sunday afternoon when fire destroyed the quarter mile wharf of American Sugar Refinery at Arabi, just below New Orleans. The flames also consumed 5,000 sacks of raw sugar. Cause of the fire is undetermined but it is believed to have started underneath the wharf.

The insurance line is handled by Marsh & McLennan of New York and placed through various New Orleans agencies. The complete schedule is not yet available.

Insurance was on a reporting form in several companies and was adequate to cover. Donald MacLeod of Marsh & McLennan's New York office is flying to New Orleans Thursday to report the loss.

F.C.A.B. Is Adjusting

Adjustment of the entire loss has been assigned to the New Orleans branch of Fire Companies Adjustment Bureau of which Price Bowen is manager.

Fanned by a stiff wind, the fire spread rapidly but excellent work of the crews manning six fire tugs and 15 companies from the New Orleans fire department brought the fire under control in three hours and saved the main warehouse, which contained 18 million pounds of sugar.

The refinery proper, second largest in America, was not damaged.

McKenzie New Chairman

NEW YORK—Superintendent Dineen of New York, National Assn. of Insurance Commissioners president, has appointed McKenzie of Arkansas chairman of the N.A.I.C. fire prevention committee, in place of McCormack of Tennessee, who is assuming the vice-chairmanship, exchanging posts on the committee.

Hail Setup Revamped

Crum & Forster's hail insurance department is being reorganized. This business has heretofore been reported through the Midland General Agency but will, in the future, be reported direct to the company through the field offices. At least part of the Midland General Agency personnel will be included in the reorganization.

N. M. Agents Hold Conclave at Albuquerque

**J. H. McLaughlin of
Hatch Is Elected as
New President**

NEW OFFICERS ELECTED

President—J. H. McLaughlin, Hatch.

Vice-president—Paul Rubineam, Albuquerque.

Secretary—Clay Pooler, Albuquerque. State national director—Howell Earnest, Santa Fe.

Executive committee—L. E. Frendenthal, Las Cruces; Thornton Seligman, Albuquerque; Nan Kaufman, Silver City; Charles Montgomery, Carlsbad; Frank D. Papen, Las Cruces; Noble M. Irish, Las Vegas.

ALBUQUERQUE, N. M.—The annual convention of the New Mexico Assn. of Insurance Agents attracted 75 reservations and 100 attended the banquet.

The association gained 16 members during the year. A resolution was adopted leaving in the hands of the executive committee the authority to select the best bill for rate regulation, which, in their opinion, is to be had. At the banquet Paul P. Rubineam of Albuquerque was the toastmaster.

Robert W. Botts, Albuquerque attorney, gave a helpful paper on the fair labor standards act and the insurance business.

The only safe alternative for an employer, he declared, is to put each employee who might conceivably be held under the act on a straight hourly basis, keep time records on each such employee for each week and pay him or her strictly on the basis of such time records at the rate of single time for the first 40 hours work in any week, and time and a half for any excess. Of course, the employee can still come in and say that as an actual fact he worked more hours each week than the time records show, and if the court or jury believes him, the employer will lose his lawsuit.

If the normal working week is just 40 hours, the employer will be reasonably safe in paying his employees a salary, but it will still be necessary for him to keep time records on each employee so that if he works more than 40 hours in any one week, the employer can pay him extra for it. If the usual work week is more than 40 hours, or if there are employees who usually work more than 40, then if the employer undertakes to pay a fixed salary, he is

(CONTINUED ON PAGE 17)

Philadelphia Waterfront Fire Causes \$150,000 Loss

PHILADELPHIA—The four-story warehouse and contents of M. Berco-witz & Co. in the waterfront district of Philadelphia were destroyed by fire, and the adjoining warehouses of Fowles & Co. and W. G. Davidson & Co. were damaged. Total property damage to contents, which at Berco-witz consisted of wooden crates and wool, and buildings of the three owner-ships amounted to \$150,000, but the insurance loss will run less than \$125,000, it is estimated.

Argentine Program Is Revised; Confusion Seen

WASHINGTON—Further confusion with regard to Argentina's reinsurance program arises from introduction in the chamber of deputies at Buenos Aires, Sept. 27, last, of a new proposal to create a National Reinsurance Institute in that country. This was "put in the hopper" by the executive branch of the Argentine government, according to information from the Department of Commerce here, and was published in the Argentine congressional record of the above date. Not yet ratified, "it appears to have been introduced to replace" the May, 1946, insurance decree, the situation with respect to which has been "confused" ever since last spring, according to the Department of Commerce. The May decree, issued by the executive branch, has never been ratified or "officially published," the department says.

U. S. Interests Concerned

United States insurance interests have been concerned about Argentine reinsurance proposals. It has appeared that under such proposals, any U. S. company insurance placed in Argentina would have to be reinsured in the Argentine proposed setup.

"It seems, from a reading of the September decree," says Jerome Sachs, chief of the Department of Commerce insurance division, "that there are some important differences between it and the previous decree of May, 1946."

Mr. Sachs is distributing an English translation of the new decree, for which, however, the department takes no responsibility. Comparing major provisions of the two decrees, on the basis of the English translation, Mr. Sachs indicates several major differences between the two.

No Private Capital

"The May decree provides that the institute be a mixed institution of the government and Argentine insurance companies. The new decree calls for a government institution without participation of private capital.

"The May decree provides that insurance companies of which two-thirds of the shares are owned by Argentine citizens shall be considered Argentine companies. The new decree provides that Argentine companies whose shares are either totally or partially owned by foreigners must be transferred to Argentine citizens within 25 years from the date the decree goes into effect. Thereafter, the government may expropriate the remaining shares in the hands of foreigners. In the meantime, foreigners who wish to dispose of their shares may sell them only to Argentine citizens.

"The May decrees provides for taxes to be paid by Argentine and foreign insurance companies in addition to the taxes previously required. The new decree proposes to leave in effect the taxes stipulated in the law prior to the May decree. However, this new decree provides also for a tax of 15% on net profits transferred abroad arising from reinsurance cessions by Argentine companies, and a tax of 25% on the net profits of foreign insurance companies operating in Argentina. It is not clear whether these additional taxes can be offset by the net results of any reinsurance contracts placed from abroad in Argentina by the companies involved.

Government Concessions

"The May decree provides that all property owned or used by persons or entities exploiting government concessions or franchises must be insured exclusively in Argentine companies. The new decree does not require that concessions or franchises be insured with national companies."

The May decree prohibits the insurance abroad of "any insurable interest

Dineen Calls for Reduced Costs

BUFFALO—The need for improved statistics and the possibilities for reducing costs through simplification of policy writing and billing operations were discussed this week by Superintendent Dineen before the National Assn. of Mutual Insurance Companies and the Federation of Mutual Fire Insurance Companies. Mr. Dineen pointed out that it costs between \$2 and \$4 per policy, according to the New York Fire Insurance Rating Organization, for purely clerical costs on dwelling house fire insurance, for which premiums do not average over \$5 annually.

The federal trade commission and Robinson-Patman acts, or state counterparts, will be applicable to insurance as a result of the S.E.U.A. decision that insurance is commerce, the superintendent observed, and these acts "rest upon the foundation that the customer is entitled to fair treatment without discrimination." Quoting the rating organization's statement that much dwelling house business "must be written at a substantial loss," Mr. Dineen said this is an admission of discrimination, and means that one group of policyholders is getting insurance below cost. Since policy holders should not be asked to pay increased premiums based on "vague generalizations," the necessity of uniform methods of accounting and improved data on costs is indicated, he said.

Reduced Paper Work
For the same reason, Superintendent Dineen inquired as to the possibility of reducing paper work on the great numbers of small policies, stating:
"Some companies have already put in systems eliminating certain operations with great success. Why should not the same machinery be made available to other companies and to the producers? Extra and unnecessary expenditures for useless paper work serve only to increase the ultimate cost to the policyholder or to reduce income of the company or producer, or both," he said.

"I appreciate that there are obstacles to eliminating some of this paper work, and that there are some people in the business who will be opposed to the idea—some perhaps for valid reasons, and others, I regret to say, because the idea departs from that which has been heretofore followed. I can even hear a few faint voices in the rear crying 'there is no demand for it.'"

of national jurisdiction." The new decree has the same provision. It would seem, however, that while any insurable interest of "national jurisdiction" cannot be insured in a company located abroad, it can be insured by foreign companies authorized to operate in Argentina.

Marine Provisions Left Out

"The May decree specifies that Argentine insurance companies must cover imports or exports where the transportation risk is for the account of the receiver or sender in Argentina, as the case may be. The new decree contains no provisions concerning marine insurance.

"The May decree provides for immediate liquidation of all reinsurance companies operating in Argentina and calls for declaring them public property. The new decree says nothing specifically which would prohibit the continued operation of reinsurance companies in Argentina."



R. E. Dineen

Lloyds Chairman on Coast Visit

SEATTLE—Sir Eustace Pulbrook, chairman of Lloyds, arrived here for a visit of about two weeks on the Pacific Coast. He is being accompanied by E. George Wickens, assistant clerk at Lloyds.

Sir Eustace was entertained by the Surplus Line Assn. at a luncheon. He left here Tuesday for Portland for a four-day visit. He will pass next week at San Francisco and will then go to Los Angeles for several days.

This is Sir Eustace's first trip to the coast. It is in the nature of a good will visit. He made the trans-Atlantic trip on the Queen Elizabeth's maiden voyage and probably will return on the same liner some time in December.

ENTERTAINS CHICAGOANS

Sir Eustace went to the coast after making a visit of several days at Chicago, accompanied by Mr. Wickens.

At Chicago Sir Eustace was host at a cocktail party to Chicago representatives of Lloyds, the group numbering about 85. The arrangements were made by John S. Lord and David Kadyk of the Chicago law firm of Lord, Bissell & Kadyk, Illinois attorney-in-fact for Lloyds.

Depreciation Insurance Rules Issued in Oregon

PORTLAND—Rules and forms for writing depreciation (replacement cost) insurance have been announced by the Oregon Insurance Rating Bureau, after many years of waiving jurisdiction over this form of coverage. In the past, policies written to cover depreciation could be written at the discretion of the companies and with permission of the insurance commissioner. Such risks were principally confined to schools and other public properties, although some sawmill risks have been covered.

The bureau rules require that the coverage be restricted to buildings and tenants' improvements permitted to be insured under the building item as a part of the building. The 100% average clause is mandatory, regardless of whether there is a rate credit for the clause. Rate is to be the normal 100% average clause building rate, and when writing buildings blanket the average rate to be promulgated by the bureau must be based upon statement of replacement costs and not upon actual cash value. Standard Forms Bureau Form 166, which is an endorsement for attachment to the fire policy, is mandatory.

E.C. for Farm Risks

Other changes announced by the bureau include provision for covering most farm property under extended coverage endorsement. Rates for the EC endorsement except on farm dwellings and contents are 20 cents one year, 50 cents three years, 80 cents five years. The rule for blanket insurance now provides for the use of the distribution clause and the 90% average clause when covering two or more premises, with the distribution clause making the insurance at each separate premises attach as a single amount blanket at such premises.

Business interruption and/or additional charges and expenses insurance may now be included in a fire policy if written as entirely separate items covering on the same property. The agreed amount endorsement coverage is now available for a term minimum of \$100. The former rule required a minimum of \$100 annually, or the proper term multiple of \$100 if written for term. Wording for the endorsement required to provide off-premises power coverage is now incorporated in the B.I. rules.

West Virginia U. Conference Draws 101 Registrants

The first insurance educational conference sponsored by the West Virginia Assn. of Insurance Agents at West Virginia University at Morgantown last week attracted 101 registrants, a most gratifying response, and the group was unanimously pleased at the program and the standard of the talks. At the dinner Friday evening, President T. J. Neff, Wheeling, announced that the association hopes to make it an annual event.

The address of Assistant U. S. Attorney-general Wendell Berge on public law 15 was well received and Mr. Berge made an excellent impression on the agents. The executive committee of the association held a meeting prior to the conference, with the coming legislative session high on the agenda.

Dr. Irvin Stewart, president of the university, welcomed the group and also took a bow at the dinner. C. E. Moore, Morgantown, president West Virginia Assn. of Life Underwriters, was also a guest of honor. Tribute was also paid to Secretary C. T. McHenry, Charleston, and W. R. Chapman, president Morgantown board, for their work in arranging the conference, as well as Prof. R. H. Wherry of the university. Prof. Wherry, who is a C. L. U., and who recently joined the university's faculty, is trying to arrange a study course for the C. P. C. U. examinations.

Remarks of Berge

Mr. Berge in his address at the West Virginia meeting, for the most part made the same points that he made in June at the meeting of the New England Associations of Insurance Agents, and just the other day at the meeting of the insurance section of the American Bar Assn. However, at West Virginia he did say that in attending meetings of insurance agents and taking part in the round table discussion with insurance lawyers and insurance commissioners, he has noticed that the period of complaints against the result of the S.E.U.A. case seems to be over. "The insurance business seems now to be facing the future in a real effort to chart a new course for insurance which will provide such regulation as is necessary without putting your business in a strait-jacket."

He said he appreciates that the problems are not simple. To the extent that joint activities restrictive of competition are to be permitted, there must be adequate public safeguards through effective state regulation. Yet most elements of the industry do not want to see competition entirely eliminated. The policy question is one on which state legislatures are entitled to the best technical advice that insurance commissioners and their departments can give. The different viewpoints of the industry are entitled to be heard fully. To the extent that industry can agree on a policy which it wants to advance for legislative consideration, it should have every reasonable opportunity to present its views. Minority groups should be similarly heard.

Position of Justice Department

The Justice Department, he said, cannot or should not take a position on the policy considerations. It has no special technical competence to pass on the policies involved. Moreover, it is clear that Congress did not intend that the federal government should recommend state legislation to the states. The federal position is simply that after the moratorium period, the anti-trust laws will apply to the extent that the insurance business is not regulated by the states.

The duty of the representatives of (CONTINUED ON PAGE 17)

A. B. Kelly Factory Mutual's Assistant General Counsel

PROVIDENCE—Ambrose B. Kelly, who has been in charge of the Washington office of American Mutual Alliance since leaving the navy last spring, will join the Factory Mutual group here as assistant general counsel and chairman of the joint affairs committee, where he will be associated with Senator Felix Hebert, general counsel. He is expected to take up his new duties shortly after Jan. 1.

Except for two years navy service, Mr. Kelly has been prominently identified with mutual insurance since 1932. After graduating from Loyola University of Chicago, he taught high school for a year and then joined the staff of the "Insurance Producers Bulletin" in 1929. He was admitted to the bar of Illinois in 1932, shortly after joining the American Mutual Alliance staff. During his nine years with American Mutual Alliance, he performed a variety of duties, including organization of the committees which led to the standardization of automobile and other policies and other joint work with stock companies and also legislative and educational work.

Made Reinsurance Study

Mr. Kelly's work in reinsurance surveys for American Mutual Alliance led to the formation of American Mutual Reinsurance in 1941, of which he became secretary and general manager. He continued in that capacity until he entered the navy in 1944 as a lieutenant (j.g.) assigned to contract termination work in Washington. Since his release from the navy last spring as a lieutenant commander, he has been primarily engaged in studying developments in social insurance for American Mutual Alliance.

Graham New Ill. Brokers President

A. T. Graham was elected president of the Insurance Brokers Association of Illinois at the directors meeting in Chicago Tuesday, succeeding G. A. Seaverns, Jr. A veteran Chicago insurance producer, Mr. Graham has been prominent for years as the wheelhorse of the Insurance Institute educational programs.

Other officers of the brokers group are L. E. Andrews, first vice-president; G. M. Proctor, second vice-president; R. N. Hutchinson, secretary, and J. H. F. Tramel, treasurer.

Sue to Compel WDC to Refund Premiums to Insured

WASHINGTON—The proposal to refund War Damage Corp. premiums of about \$220 million to insured, which has been advanced in Congress, has reached the courts here. Russell R. Knowles and wife, Rosemont, Pa., have sued the WDC and government officials in the federal court to compel return of premium on war damage insurance on their home. However, the suit is so worded as to cover all war damage insured.

The court is asked for an injunction to prevent WDC from turning over its funds to the Treasury in winding up its affairs. The suit also asks for an accounting, for establishment of a trust to handle premiums pending court action, for fixation of a fair total premium on war damage, and return of all WDC funds over that figure to policyholders.

It is contended in the suit that the fair total premium to be fixed should

not exceed the amount of claims paid by WDC.

A WDC spokesman says the corporation paid out about \$300,000 on claims under the free insurance program in effect from Pearl Harbor Day to June 30, 1942, much of this being on account of losses suffered in the Pearl Harbor attack. Less than \$100,000 has been paid in claims arising under the premium insurance program thereafter, it was stated, with a few claims still pending.

The suit appears to be of the same type as that brought Aug. 30 by the Matlaw Corp. in the federal court at Indianapolis. The WDC is understood to feel that neither suit states a good cause of action. Both have been referred to the Attorney General for investigation and consideration.

The main points against such suits appear to be that the customers, with the free renewals, got a great amount of protection for their money; that of the \$3 policies, which constituted the big majority, the producer got \$1 and the issuing fiduciary agent got 50 cents, leaving only \$1.50 that WDC received; and finally that if the premiums had proven inadequate instead of more than was needed, the deficiency would have had to be made up by the general body of taxpayers and hence it is only reasonable that any profits go to the taxpayers, as they will if paid into the Treasury.

A number of bills were introduced in the 79th Congress to authorize distribution of profits to insured instead of paying them to the Treasury, but each measure died in committee. When it is considered that there are \$10 billion of destructible values in Manhattan Island from Canal street to the Battery, it is apparent that it would not have taken much bombing to make the WDC a highly unprofitable enterprise.

Hold Hearing on Revising Routine for Blanks Changes

NEW YORK—Commissioners Allyn of Connecticut, Harrington of Massachusetts, Johnson of Minnesota and Dineen of New York, constituting a subcommittee of the N.A.I.C. committee on blanks are conducting a hearing at the New York department here Nov. 14 to consider suggestions to revise the procedure followed by the committee in connection with amendments to the form of annual statement.

Pacific Board Revisions

The Pacific Board has completely revised the rules governing course of construction risks, and transferred the rates for the class from tariff rates to the tariff rule book. Course of construction rates are published net with the 100% average clause. A lengthened and revised valuation clause is provided for spirituous liquors risks. A number of minor changes in rules include a provision that mercantile buildings used as dwellings must be rated as mercantiles unless the interior has been permanently reconstructed for dwelling occupancy.

Insurance Chairmen Reelected

LANSING, MICH.—Chairmen of both senate and house insurance committees in the Michigan legislature, Sen. Colin L. Smith, Big Rapids, and Rep. Andrew J. Bolt, Grand Rapids, were re-elected. Both are Republicans.

Ind. Blue Goose to Initiate

The Indiana Blue Goose will hold an initiation and business meeting next Monday in Indianapolis. A special memorial service will be held for Frank J. Florack, Home, who died last summer after an extended illness. A number of candidates will be initiated.

C. N. Mullican, Fireman's Fund, Cincinnati, has been appointed deputy most loyal grand gander for Indiana by J. Ray Hull, American States Fire, grand guardian. Mr. Mullican plans to attend the Indiana pond meeting Monday.

1,000 Mutual Men Gather at Buffalo; Cooper Resigns

BUFFALO—Announcement of the resignation as secretary of the National Assn. of Mutual Insurance Companies of Harry P. Cooper, secretary Indiana Union Mutual, was made at the 50th annual convention of that organization held here in conjunction with the 30th annual meeting of the Federation of Mutual Fire Insurance Companies.

Mr. Cooper, who has been in ill health for several years, had served as secretary for more than 30 years, and had been largely responsible for building its membership from some 200 to approximately 1,200 member companies.

Registrations Exceed 1,000

The Buffalo convention was the first at which there has been the usual large attendance since the pre-war era, with more than 1,000 registrations. General discussions centered about the rate regulatory measures which have been developed by the National Assn. of Insurance Commissioners, with the co-operation of the insurance all-industry committee. Group sessions devoted their attention to specific technical problems of interest to the casualty and automotive, city and town, farm, hail, and windstorm sections into which the member companies of the National Assn. of Mutual Insurance Companies are divided.

Principal speaker at the first of the general sessions was George A. McKinney, National association president and executive vice-president of Millers Mutual Fire of Alton.

After announcing acceptance by the directors of the resignation of Mr. Cooper he treated briefly the S.E.U.A. decision. He urged study of the by-laws of the National Assn. of Mutual Insurance Companies, with a view to modernizing revisions, and recommended that in the future greater consideration should be given to selection of a representative of the farm mutual insurance companies as the organization's president.

Robideau to Be President

C. J. Robideau, secretary of North Dakota Farmers Mutual Fire & Lightning and of North Dakota Farmers Mutual Tornado & Cyclone, both of La-Moure, who has served for the past two years as vice-president of the National Assn. of Mutual Insurance Companies, was regarded as the likely candidate to succeed McKinney in the presidency.

The beginnings of the association and its progress were sketched at the first general session by W. A. Rutledge, secretary Farmers Mutual Hail of Des Moines, who was one of the founders of the association in 1896 at Chicago.

Rate regulation as it will exist in the future was discussed at the second of the general sessions. The legal phases of state and federal regulation of insurance were treated by Chase M. Smith, secretary National Retailers Mutual. A. V. Gruhn, general manager American Mutual Alliance, analyzed rate regulatory problems. The stake of the local mutual insurance company, ordinarily operating upon an intra-state basis, in the situation was explored by Harry P. Cooper, Jr., assistant secretary-counsel National Assn. of Mutual Insurance Companies, who stressed the point that local carriers which do not consider themselves to be subject to laws regulating interstate commerce should check their operations very carefully to make certain that they are not indirectly involved in interstate business.

Apart from the general sessions the convention activities consisted largely of group meetings at which specialized technical problems were considered. Subjects discussed at the meetings of the city and town group included re-

sponsibility of mutual agents to companies and policyholders, by W. Emmert Swigart, Huntingdon, Pa., immediate past president of the National Assn. of Mutual Insurance Agents; multiple line underwriting, by Donald A. Tripp, Belvidere, Ill., manager Mutual Reinsurance Bureau; developments in the reinsurance field, by John L. Baringer, Chicago, American Mutual Reinsurance, and inflation and its effects on insurable values, by R. E. Lehman, St. Paul, secretary St. Paul Mutual.

At meetings of the farm group reinsurance needs were discussed by Carl Rutledge, Des Moines, president Farmers Mutual Hail; the agent and his company, by Gordon A. Bubolz, Appleton, Wis., president Home Mutual; and safety funds and investment of farm companies by V. N. Valgren, Washington.

Methods of producing business proved the theme of the meetings of the automotive and casualty section. The direct agency plan as opposed to the general agency plan was described by J. W. Gunn, Des Moines, president Employers Mutual Casualty; competition in automobile insurance was the subject of Irving J. Maurer, Madison, treasurer Farmers Mutual, and incentive plans were described by Ray Bausch, Columbus, director of agency service Farm Bureau Mutual.

AVIATION PRACTICES

Travel by air is so common that its safety directly affects every insurance company whether it writes aviation insurance or not, William H. Rodda, secretary Mutual Aircraft Conference, Chicago, declared.

Mr. Rodda asserted that as the result of floater coverage given policyholders in almost every household goods policy, companies have thousands of dollars worth of property at risk in airplanes every day. Losses caused by insuring the plane itself, and insuring operator's liability for death or injury to passengers and crew, are only partially responsible for this insurance company interest in aviation safety. Aircraft losses today can no longer be pushed aside as the "tough luck" of insurance companies who insure them, he said.

The power for improvement which can be exerted by insurance underwriting has not yet made itself sufficiently felt, Mr. Rodda said. Airlines are continuously insured that have been reported guilty of lax practices by the C.A.B. Aircraft manufacturers have continued to build planes with features which may kill a pilot even in a minor crackup, but better aircraft design is given no rate credit.

Companies have been lax because they said that such losses are inevitable in a new business, he commented, but to accept such a bad loss ratio instead of making an effort to locate the cause and force a correction places the companies at fault. Insurance companies must take the lead in convincing the aviation industry that accidents are caused and do not just happen, Mr. Rodda declared.

He listed a number of accidents on schedule airlines which were caused by unsafe practices. The blame for this was put on management by Mr. Rodda. He asserted that airlines today are geared to expand and have put too much attention on gaining new routes to the neglect of present business, and there is a low morale among their employees.

This laxity in management's promotion of safety could eventually filter to the operations level, he said, with the result that aviation accidents could increase many times.

A MORE *progressive* Service FOR AGENTS

Is your agency making progress? Are you missing sales opportunities?

Our personnel, by knowledge and experience are trained to help you with your sales problems.

We are fully alive to the opportunities of expansion the times present and can offer exceptional facilities to growing and aggressive agencies.

Our service is prompt, efficient and geared to meet the requirements of every agency. Make progress with a progressive Company.



THE HANOVER FIRE INSURANCE CO. OF NEW YORK

Organized 1852



THE FULTON FIRE INSURANCE CO. NEW YORK



HOME OFFICE

111 John Street, New York 7, N. Y.

WESTERN DEPT.

Insurance Exchange Building, Chicago 4, Ill.

PACIFIC COAST DEPT.

340 Pine Street, San Francisco 4, Cal.

N. Y. Adopts New Fire Classification System of N.A.I.C.

The New York department has officially adopted the revised standard classification for classified fire experience that was approved by the N.A.I.C. last June. Each insurer, commencing in 1947, will be required to code transactions so that it can report its experience in accordance with the revised classification.

The National Board, Federation of Mutual Fire Insurance Companies and Underwriters Rating Board have been designated as statistical agents for the department, and they will provide their companies with a publication giving the necessary information. Later, forms will be prepared for reporting the classified experience for the calendar year 1947 and thereafter.

As in the past, there will be a separate compilation for reporting experience in New York City territory. The experience will be on the basis of direct premiums written and direct losses paid, less salvages. Reinsurance transactions are to be omitted. Claim expenses shall not be included with losses. At the time of any periodical review, the department will make adjustments in the aggregate results for any given period in order to give effect to earned premiums and incurred losses. The department also will give consideration to rate revisions not fully reflected in the reported experience, credibility with respect to premium volume and catastrophe losses and such other factors as may reasonably be applicable.

In consolidating the reports of classified experience, the statistical agents will be required when necessary, to make separate groupings of insurers which write at different rate levels or under different rating systems.

Western Dept. "Old Guard" Has Annual Gathering

The annual dinner party of the western department of the America Fore "Old Guard," was held Nov. 13 at the Drake Hotel, Chicago, with an attendance of 100.

Vice-president E. A. Henne presided and welcomed three new members. The group now has 142 members in Chicago and 744 country-wide.

Mr. Henne stressed the loyalty of the Old Guard members in carrying on through the war years and continuing through present difficulties due to critical help problems. He then presented wrist watches and the official insignia of the order to Odilon Rheame, Harry C. Brose and Harry A. Stanton. Congratulatory messages were read from Chairman B. M. Culver.

Mr. Rheame joined Continental in 1921 as a hail special agent at Saskatchewan with headquarters at Regina. In May, 1925, he was transferred to Chicago as assistant superintendent of the hail department.

Mr. Brose joined Fidelity-Phenix as a mail clerk, later being transferred to the recording agency department as a district clerk. In 1929 he was transferred to the improved risk department as an examiner.

Mr. Stanton began with Continental as a clerk in the mailing department, and in 1924 was placed in charge of the joint mailing department for all fire companies.

Aid W.U.A. Program in Ia.

DES MOINES—Philip Jester, president of the Iowa Assn of Insurance Agents, announces that the 12 district directors of the Iowa Association will assist in holding W.U.A. public relations meetings in the state. A field man will also be assigned to each district.

The meetings, which will be in the nature of sales forums, will be held some time after the first of the year.

Urges Insurers to Quit Making Appraisals

NEW YORK—One of the aggravations of the business is the practice, fostered principally by mortgagees, to pressure fire insurance companies into making appraisals of property for their policyholders, Alex Goldberger writes in the Brooklyn Insurance Brokers Assn. "Bulletin."

None of these appraisals are worth the paper they are written on, he believes. Also they all contain a denial of liability in event a fire takes place. They are unfair and a nuisance. To begin with, a mortgagee should do his own appraising. Banks seem to be the worst offenders.

The practice affords avenues for discrimination, favoritism and unnecessary added operating expense which must necessarily be reflected in premium costs, he states. If the companies, all of whom claim to dislike doing what they do, can't agree to cut out appraisals, then the insurance department ought to make them cut it out, he asserts, either on the ground that the service is not one contemplated in the premium and is therefore discriminatory, or on the ground that the service is misleading because it immediately disclaims responsibility for the statements made.

A.I.U. Opens "Jap" Unit

As the first post-war representative of an American insurance company in Japan, Paul W. Aurell, recently appointed general manager for Japan of American International Underwriters, left by air last week for Tokyo.

A.I.U.'s principal function there will be to serve the personal insurance needs of American military and civilian forces on occupational duty in Japan and Korea. Among the coverages now available are personal property floaters, automobile insurance including third party liability, fire insurance, personal accident, inland marine, personal liability, and life as well as marine coverage on property enroute overseas.

Prior to the war, Mr. Aurell had an insurance general agency at Phoenix, Ariz. He served four years as a Japanese language officer in the army intelligence service. He was a major.

He was born and reared in Japan.

Detroit Nominations

DETROIT—The nominating committee of the Detroit Assn. of Insurance Agents announce the names of 12 selections for five places on the board of directors, they being Delbert A. Asbury, John F. Byrnes, Bruce Chalmers, Max F. Cheney, John J. Driscoll, Charles E. Freese III, William L. Graham, Hayden K. Hollister, Robert P. Neeley, Charles L. Platts, George Suliburk, C. Marse Verbiest.

J. Alfred Grow was chairman. Additional names can be placed in nomination at the next meeting Nov. 26. Leslie R. Hamann will handle that meeting and explain proposed constitutional amendments as recommended by the constitutional committee, headed by George M. Zimmerman.

Amendments would change the date of the election from January, 1947, to December, 1946, provide for balloting by mail, and would raise the dues in the minimum classification to \$20.

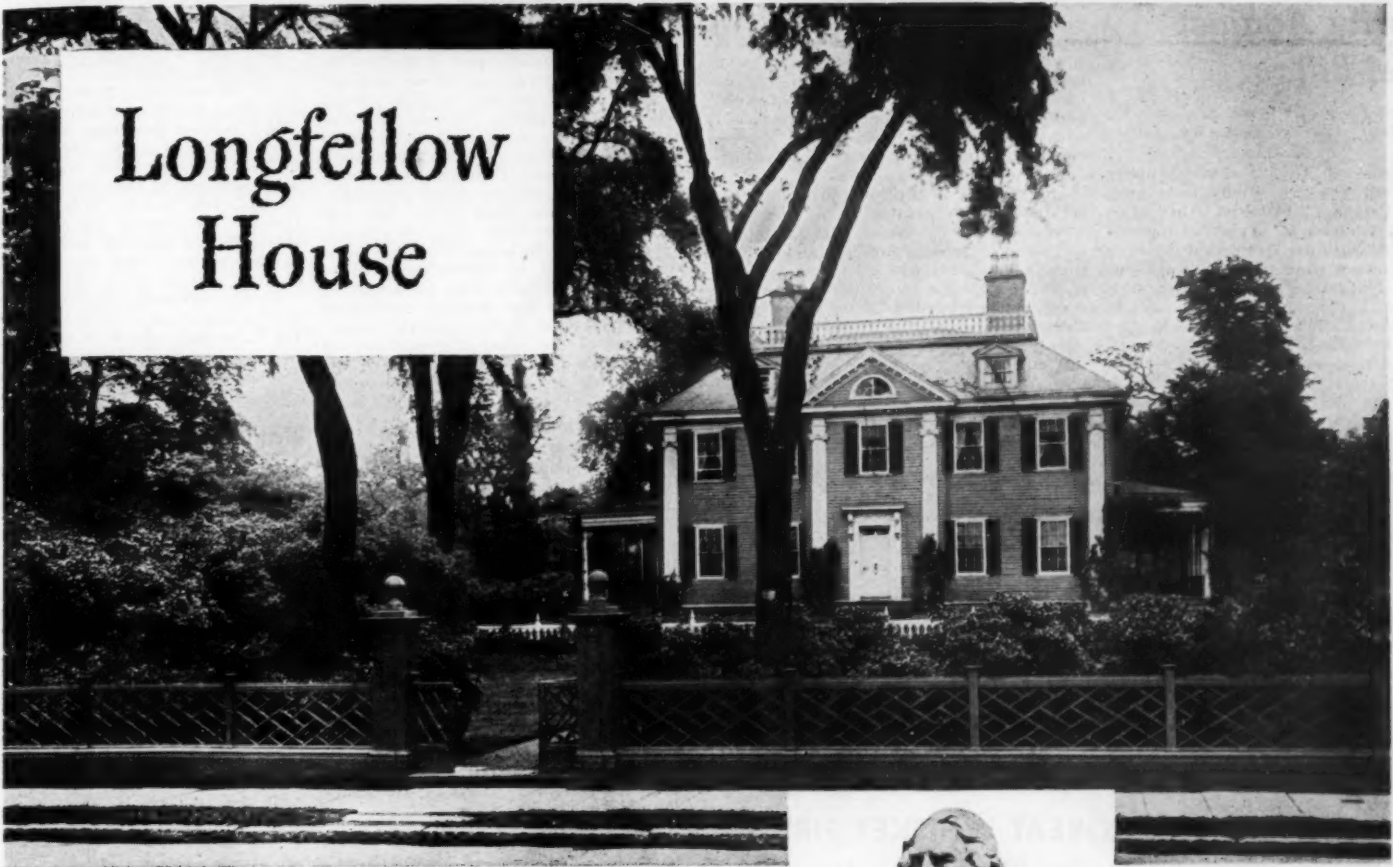
Elmer Salzman will report on the N.A.I.A. meeting at Denver.

Fairfield & Ellis Life Manager

Fairfield & Ellis, Boston general agents, have expanded their life representation of Continental Assurance and placed Walter J. Flanagan, Randolph, Mass., in charge. A broker since 1935, IgñBeTfideta liBOC cmfwypj cmfweta Mr. Flanagan saw Army service as a colonel and until recently was assistant adjutant general of Massachusetts.

Famous American Homes

Longfellow House



The first American in Poets' Corner in Westminster Abbey.

LONGFELLOW HOUSE in Cambridge, Massachusetts is one of America's most beloved homes, for it was there that our favorite poet wrote many of his most delightful poems.

When Henry Wadsworth Longfellow assumed the professorship of modern languages and belles-lettres at Harvard, he was fortunate in securing rooms in the Craigie Mansion. This house in "Tory Row" was built in 1760 by John Vassall, a distinguished financier of the period. At the outbreak of the Revolution, the owner was forced to leave the country because of his sympathies, and the mansion was confiscated. It soon became the favorite rendez-

vous of the Colonial troops, and Washington used it for his headquarters for a long period. Mrs. Washington joined her husband while he was stationed there, and the house and grounds were the scene of many brilliant Colonial festivities. In 1793, the estate was purchased by Andrew Craigie, whose widow was eventually forced to open her home to paying guests. Longfellow was assigned an apartment which included the room used by Washington as his private chamber. In this room the poet wrote the immortal "The Wreck of the Hesperus." In 1843, Longfellow was married to Frances Elizabeth Appleton and the couple was presented with the house as a wedding present from the bride's father.

During the latter years of his life many honors were bestowed on the poet, and his

home, which had always been very dear to him, had become the meeting place of many illustrious guests. However, his closest friends were probably the children of Cambridge, for the house was always filled with them. In fact, on his seventy-second birthday they presented him with an armchair made of wood from the chestnut-tree of his "The Village Blacksmith."

Many of the distinguished poet's works are based on the American scene and include such widely read and loved titles as "Hiawatha," "Poems on Slavery," "Tales of a Wayside Inn," "The New England Tragedy," "The Hanging of the Crane," "The Old Clock on the Stairs," "Evangeline," and "The Courtship of Miles Standish."

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.



Longfellow's study, gathering place of nineteenth century literati.

★ THE HOME ★

Insurance Company

NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

FISHER ANSWERS WELSH

Claims N. A. I. A.
Majority Against
Model Bills

Carleton I. Fisher, president of the Rhode Island Assn. of Insurance Agents, writes:

Your issue of Nov. 7th stated, under the heading "Foes of Model Bills Seek Special Privilege: Welsh" that this speech by William P. Welsh, vice-president of the National Assn. of Insurance Agents "seems to dispose of any hint that the National Assn. of Insurance Agents is becoming lukewarm in its attitude toward this legislation."

In the interests of keeping the record straight so that uninformed persons will not falsely construe the situation I think it would be well to point out it was made quite clear at the Denver convention of the N.A.I.A. that said organization has not and can not adopt any attitude toward the so-called all-industry bills and if it did, it would be meaningless. So long as legislation to be adopted in the states is under discussion, the only attitudes that matter, so far as the

organized agents are concerned, are the attitudes of the respective state associations of insurance agents.

You have only to read your own columns, indeed the issue of Nov. 7, to find that the attitude of organized agents all around the country is indeed lukewarm toward the work of the all-industry group, in fact Mr. Welsh's own state of California appears to be in the forefront of opposition as outlined on page 6, not to mention the developments in Massachusetts, Maine, Rhode Island, Missouri, and elsewhere.

One trouble with insurance journals is that they are apt to interpret words spoken by individuals to be the official attitude of organizations in which they hold office, when such is not the case. Mr. Welsh is entitled to his own opinion but to indicate that his expressions may indicate the attitude of 22,000 agents is incorrect. One trouble with the officers and members of the executive committee of the N.A.I.A. in the past is that they have been so chary of having anything they said construed to be official views of the N.A.I.A. that they have been unwilling to frankly discuss important problems in public. Public opinion is moulded by leadership. The leaders have a duty to air their views in order to mould the thinking of the membership. They are close to the

scene and have sources of knowledge sometimes not available to other agents.

Frank Discussion Needed

It is a healthy situation to have more frank and open discussion of important problems. But don't spoil it by placing unwarranted interpretations on individual talks, otherwise they will be forced back into their shells.

It is a rather dangerous practice to impugn the motives of advocates of one course or another. Possibly the opponents of the all-industry committee, myself included, have been guilty. We can not overlook the fact that we are engaged in a highly competitive business, the most potent of which competition is that of the direct writing participating carriers. When the leading exponents of one course of action are the representatives of the latter it is perhaps no wonder that agents and others are apt to look with suspicion on what they advocate.

Can't Bind State Units

Mr. Welsh is not the first to charge that the opponents of the all-industry pattern are motivated by selfish interests and are seeking special privilege. That charge is resented by many members of the N.A.I.A. who are seeking no such thing but are seeking to maintain flexibility and competition in the insurance business. For the very reason that sentiment of agents is not uniform on this thought throughout the country, we can not have any uniform legislation and therefore the N.A.I.A., including as it does members holding varying sentiments can not speak for or against one pattern of regulation. If it did, it could not bind its constituent state associations. In this respect it is no different from the National Assn. of Insurance Commissioners.

Cites Escape Clause

A great to-do has been made over the fact that body "unanimously" endorsed the all-industry bills, but most everyone forgets to add the proviso that went with that endorsement, namely "for adoption in those states that accept the principles thereof." There is a wide open escape clause and the N.A.I.C. can no more bind its individual members to follow that pattern than the N.A.I.A. could bind its members to do so.

The place of the N.A.I.A. in the picture is to provide advice and information, to date sadly lacking. So let's give Bill Welsh credit for being outspoken in advocacy of his own views and hope others will do the same, but don't attempt to saddle his views on the N.A.I.A. because he is probably right now holding the minority view and others, myself included, are going around advocating going off in the opposite direction.

Leaders Announced for
Cleveland Education Course

Discussion leaders for the educational course of the National Assn. of Insurance Agents, sponsored at Cleveland by the Insurance Board, have been announced.

Chairman of the fire course is Charles D. Sokol, special agent Aetna Fire, with Ray T. Wagner, state agent Niagara Fire, as assistant.

J. B. Lyles, underwriter for Travelers, is chairman of the casualty course. T. J. Tippy, superintendent Aetna Casualty liability department, and J. F. Kvatek, underwriter for Aetna, will discuss automobile material damage and liability insurance. Discussion leader for burglary and glass insurance is William E. Harn, superintendent U. S. F. & G. casualty department.

Leader of the inland marine course is Charles Martell, state agent Fireman's Fund. E. R. Dickson, manager American Surety, is chairman of the surety course, in which Miss Margaret Casey, underwriter American Bonding and J. Hayes Dorsey, assistant manager Travelers Indemnity, will discuss fidelity and surety bonds.

Hansen to F.I.A.
Head Office;
Redfield N. Y. Chief

Factory Insurance Assn. has appointed L. B. Hansen as superintendent of engineering and inspection.

Mr. Hansen has been manager of the New York City office. He was assigned to New York in 1938, became assistant field manager in 1942 and field manager in 1945. His first job was with Scottish Union. He joined F.I.A. in 1920 at Hartford. In 1930, he went to Gastonia as an engineer and, in 1935, was appointed special agent at Pittsburgh.

C. H. Redfield is appointed as the new manager at New York. He joined F.I.A. in 1937. In 1938, he was named as a supervisor in the inspection department at the head office. He became special agent at New York in 1941.

Nat'l Union Correction

The incorrect figures were inadvertently reported for the net premiums received and net losses paid by National Union Fire for its business done in Indiana. These appeared in the recent issue of the 1946 Indiana Handbook and booklet "Record of Insurance." The premiums were given as \$177,444 whereas they should have been \$277,444 and losses as \$9,337 instead of \$109,607.

To Present Diplomas at Dallas

C.P.C.U. diplomas will be presented at Dallas Nov. 20 at a luncheon sponsored by the Dallas Insurance Agents Assn. The first three men in the southwest to receive the designation will have them presented by Dean Harry J. Loman of the American Institute.

Insurance Atavistic
Tendency Is Strong

James M. Newburger, veteran local agent of Chicago and a former president of the Chicago Board, is proud of the insurance atavistic tendency that has developed in his family.

At Philadelphia Mr. Newburger has a daughter, Mrs. Theodore J. Kauders, and a 10-year old grandson, Jim. Mrs. Kauders the other day wrote to her father:

"The following story on Jim is for your benefit, Dad, and I know you'll say he comes by his answers honestly. Last night I said to Jimmy, 'I listen to your spelling every night, now tonight I want you to listen to my questions for my driver's test.' (I hope to take my test soon), Jimmy said, 'Ask me a few questions,' so I said, 'O. K. What is the first thing to do if you should become involved in an accident and either injure a person or property?' He answered promptly, 'Get in touch with your insurance agent.'"

H & A
MANAGER

With the home office of a Mid-west company over 20 years handling all phases of accident and health insurance. Age 39, lots of drive, and a pleasing personality.

FERGASON PERSONNEL

Insurance Personnel Exclusively
166 W. Jackson Blvd., Chicago 4, Ill.

Highlights
IN INSURANCE HISTORY

GREAT WHISKEY FIRE

The Great Whiskey Fire took place in Dublin June 19th, 1874. Many buildings housing bonded stores of whiskeys were destroyed, with a loss around £80,000. The "Times" said: "The streams of burning whiskey, which to most people were appalling, offered to others a temptation which they could not resist. Although the streets were generally well guarded by the military and police, numbers or people got access through narrow lanes and passages to places where it ran freely along the channels or in pools in the street, and resorted to every possible expedient to obtain draughts. Some collected the liquor in their hats and others in their boots; some lay down across the channels and lapped the streams until they became helpless and insensible and had to be dragged off to hospitals. It would be hard to conceive a more shocking exhibition of degrading vice."

Few warehouse owners today would fail to carry adequate insurance on such valuable contents. Living in 1946 has many advantages, not the least of which are the good values to be had in insurance policies—such as those written by NATIONAL UNION and BIRMINGHAM.

National Union
and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH PENNSYLVANIA



During December—
America Fore tells the insur-
ance-buying public, that—for
safety's sake—complete in-
surance coverage is needed!

SELL
COMPLETE
COVERAGE!

CAN YOU TELL Where the Wheel Will Stop?

CAN YOU foretell whether or not fire, explosion, windstorm or a falling airplane will damage or destroy your property?

Do you know whether you will be robbed by burglary, pilferage, forgery or embezzlement?

Will you or your family accidentally injure someone so that you will be confronted by a liability claim?

Will you be injured and perhaps incapacitated for a long time—faced with

doctors' bills, hospital bills and loss of income?

You might guess the right answer to some of these questions, but dare you gamble with so much at stake?

Is it not safer to carry insurance, against all the hazards most likely to threaten your security, in the strongest insurance companies you can find?

The America Fore agent can provide you with complete insurance protection in sound insurance companies. Call him!

THE CONTINENTAL
FIDELITY-PHENIX
NIAGARA
AMERICAN EAGLE
(FIRE INSURANCE COMPANIES)
FIDELITY & CASUALTY
COMPANY OF NEW YORK

Bernard M. Culyer
 Chairman

Frank A. Christensen
 President

America Fore
 • INSURANCE GROUP •

IF YOU REPRESENT an America Fore company, you can cash in on our advertising appearing in national magazines this month, by using the direct mail, posters and other tie-in material available for your use.

Rate Bureaus Head Off Federalization, McCormack Says

NASHVILLE—Declaring that "the threat of federalization of insurance is past" in Tennessee and in other states where state rating bureaus have been established, Commissioner McCormack told the Tennessee Assn. of Mutual Insurance Agents, meeting here, that Tennessee has now closed its first year as a regulated state on rules and rates on fire and casualty insurance, including surety and fidelity bonds, and that "discriminatory and excessive rates have been eliminated without injury to well-managed insurance companies — and with unquestioned material savings in premiums to the insuring public."

Philip L. Baldwin, secretary of National Assn. of Mutual Agents, after warning that Jan. 1, 1948, will be the deadline for the states to act to forestall federal regulation, declared that "today the insurance industry is as close to harmony as it ever will be on two proposed measures dealing with rates on fire and casualty insurance, de-

signed to forestall federal regulation." He said the National association is asking local agencies for reports on the cost of operating their agencies, to be used in an effort to forestall cuts in commissions by the companies. He said commissions of mutual agents are now about half of those received by agents serving stock companies.

Sam Chandler, president of the National association, was in Nashville on the eve of the convention but was unable to remain. Clifton R. Lewis, Tullahoma, president, presided. Four "clinics" were held at which agents' problems were discussed. The attendance was about 100.

Muller to N. Y. for N. A.

North America has transferred Edward N. Muller, Jr. from the head office to New York as an underwriter in the yacht and hull department.

Mr. Muller is an expert in the yachting field, having been for six years with Marine Office of America before joining North America in 1944. He was at one time associate editor of the "Spectator" magazine and is the author of "Liabilities of a Yacht Owner". During the war he was a radio operator in the south Pacific.

Line Up Lively Card for Md. Agents at Rally Nov. 21-22

An excellent program has been prepared by the Maryland Assn. of Insurance Agents for their annual meeting Nov. 21-22 honoring Guy T. Warfield, president of the National association. The convention will be at the Hotel Sheraton-Belvidere at Baltimore.

John A. Diemand, president North America companies, will open the meeting the afternoon of Nov. 21 with a talk on "Current Trends." Other speakers that afternoon will be H. T. Lewis, executive regional manager Royal, on "Business Interruption Insurance," and F. Addison Fowler, chief of the rating bureau of the Maryland department, on "The State Insurance Department." There will be a business session that afternoon.

The banquet will be the night of the 21st and new officers will be installed. No speeches are planned for that evening.

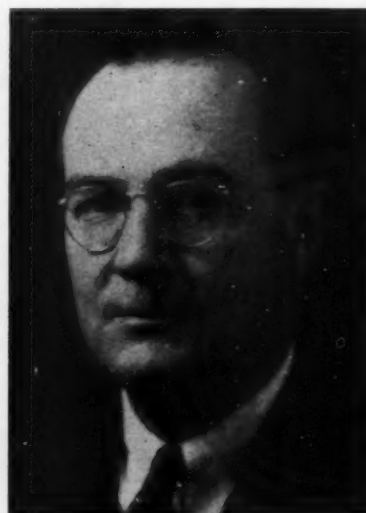
Speakers for the second day include Donald Webster, Baltimore manager of Aero, who will speak on "Aviation Insurance"; John J. Iago, vice-president Fidelity & Deposit, on "Burglary Insurance" and Hugh D. Combs, vice-president U. S. F. & G., on "Casualty Claims."

The final speaker is C. T. Burg, vice-president in charge of sales of the Iron Fireman Manufacturing Co., Cleveland. He will give an inspirational address.

E. K. Schultz Festivities

The 50th anniversary of E. K. Schultz & Co., prominent Philadelphia general agency representing Ohio Farmers, Ohio Farmers Indemnity and Millers National, was observed at a dinner attended by 110 employees and home office executives, Tom Anderson, the president, was the presiding officer. The main talk was made by Dr. Johnson, who was a cousin of E. K. Schultz, and is a retired theologian. From the Ohio Farmers head office there were C. D. McVay, president; Charles Curtis, general counsel, and

Leaves E.U.A.



GEORGE F. NEILEY

George F. Neiley, who has resigned as manager of the Eastern Underwriters Assn., on account of the condition of his health, had held that office since 1941 and has been in the insurance business since 1923. He was first connected with North America at Hartford and Philadelphia, and then for 14 years was with Royal. He graduated from the U. S. naval academy and was a lieutenant commander when he left the service in 1923.

John A. Weber, a director. Millers National had W. S. Whitford, president; A. A. Krueger, executive vice-president; Ralph Danforth, vice-president, and John Seibel, head of the Iowa department.

Bonstin Heads Cal. Union

SAN FRANCISCO—Elmer W. Bonstin has been elected president of Cal. Union Agencies succeeding Fred D. Parr who retires from the firm to attend to large shipping and industrial interests. Mr. Bonstin joined the organization in 1945 as associate general agent and became vice-president shortly thereafter. He was formerly for several years vice-president of Pacific National Fire.

Atlanta Agency's 50th Year

W. R. Hoyt & Co., Atlanta local agency, celebrated its 50th anniversary last week. Founded by W. R. Hoyt, Sr., it began writing automobile insurance in 1910 and was one of the pioneers in this line in the south. In 1917 it paid out more than \$500,000 on account of the great Atlanta conflagration. The agency is now headed by W. R. Hoyt, Jr.

Rodgers Ohio Speaker

Wallace Rodgers, public relations department of the Western Underwriters Assn., Chicago, discussed the association's new public relations program at the meeting of the Ohio Fire Underwriters Assn. in Columbus Tuesday.

New members received include: J. L. Mowatt, Jr., Aetna Fire, Cleveland; G. K. Simpson, Aetna, Columbus; Wm. A. Gibson, North British, Columbus; F. E. Maidens, America Fore, Columbus; H. F. Lepper, Home, Cincinnati; F. M. Regnault, American, Cleveland; H. E. Tilden, Hartford, Columbus.

Two members resigned, Wilson Lively, now at the home office of Agricultural, and John Magenheimer, formerly of Cleveland, now in the New York office of North British.

Santa

may not need
TRANSPORTATION
FLOATER
insurance...

...but many of
YOUR ASSUREDS do!



During the Christmas season, many of your assureds will ship or deliver large quantities of valuable goods by railroad freight, Railway Express, plane, motor truck or department store truck.

The "Kansas City's" Transportation Floater policy can be written to protect the value of your assured's merchandise against many types of losses not covered by common carrier liability.

Remind your clients of the value of Transportation Floater insurance to them—now and throughout the year. And whenever you need assistance, call on your "Kansas City" field man.

Monty T. Jones
PRESIDENT



KANSAS CITY Fire and Marine

INSURANCE COMPANY

KANSAS CITY, MISSOURI

PERSONALITY

that immeasurable
asset! That certain
something which invites
immediate
friendship.

In all sincerity
we believe you
will find the
SECURITY FIRE
an agency company
with
PERSONALITY

**SECURITY FIRE
INSURANCE COMPANY**

63 years of sound
protection

Davenport

Iowa

1871



1946

A MESSAGE FROM THE NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

IT is impossible to express adequately the appreciation of my associates and myself for the splendid spirit of cooperation and confidence evidenced throughout our 75th Anniversary Year, a most memorable and significant one.

The National Fire Insurance Company of Hartford starts its fourth quarter-century with the assurance of continued sound progress because of the demonstrated support of agents of all companies of the National Fire Group.

Yours sincerely,

A. D. Hayton
President

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

Ohio Pond Honors Its Servicemen

COLUMBUS—More than 250 members of the Ohio Blue Goose attended a dinner here honoring 80 members of the pond who served in the recent war. The 80 included those who were members of the pond when they entered service or joined after the war. Frank J. Weber, Firemen's, Cleveland, most loyal gander, introduced Allen C. Guy, Western Adjustment, Columbus, who acted as toastmaster. Paul F. Brown, Hanover, Columbus, introduced the veterans, and Mr. Weber gave a formal welcome.

C. H. Garbutt, American Eagle, Cincinnati, gave the response for the veterans and Fred I. Sipp, Hartford, Columbus, read a memorial to Walter R. Moore, Columbus, captain of cavalry, the only member of the pond to lose his life in the service. A word of welcome from the army was given by Gen. Leo M. Kreber, now commander of the Ohio national guard. George E. Edmondson of Tampa, most loyal grand gander, gave a welcome to the returning veterans from the grand nest.

Brochure Distributed

A brochure prepared by Harry F. Albershardt, Western Adjustment, wielder of the Ohio pond, was presented each one in attendance and mailed to

members of the pond who could not attend. On its cover is a two-tone picture of the Imo Jima flag raising. The brochure contains military records of the members of the pond honored, together with pictures of most of them; roster of members of the pond, veterans of the first war, charter members, past most loyal ganders, life members, 25-year members, present officers, and a history of the pond. Five members served in both wars: Maj. Harry F. Albershardt, Col. Benjamin E. Cheney, Lieut. Col. Wilbur C. Cotner, Capt. Chester A. Garbutt and Col. Ralph V. McKinley.

Ohio Sixth District Meets

About 100 agents from northwestern Ohio attended a meeting of the sixth district organization of the Ohio Assn. of Insurance Agents at Bowling Green Monday evening. Robert O. Young, Cleveland manager of North America, led a discussion on business interruption coverage and E. B. Berkeley of Cleveland, banquet speaker, spoke on insurance legislation. Harold S. Bowen of Norwalk is trustee for the district.

Iowa Blue Goose Activities

The Iowa Blue Goose held its weekly luncheon at the Meredith Publishing Co. cafeteria with 58 in attendance, followed by an inspection trip through the plant. The Christmas party will be held Dec. 13.

Holmes to Pacific Nat'l Agency Post

Pacific National Fire has named Special Agent John P. Holmes of Atlanta as superintendent of agents in the eastern department covering operations in the southern states.

Mr. Holmes is a graduate of Virginia Polytechnic Institute and began his insurance career as an inspector for the Southeastern Underwriters Assn., becoming assistant chief engineer there. He later joined the Atlanta local agency of Holmes & Tharpe, resigning in 1937 to join Pacific National. His headquarters will continue in the Trust Company of Georgia building, Atlanta.

Price Ceiling Exit Brings Some Woes to Insurance

Removal of price ceilings on building materials is not expected to cause too much confusion in adjustments, except on partial losses. Unduly high prices for lumber and other building supplies cannot be expected to last much longer than six months, and then should return nearly to OPA levels.

In the interim, large mercantile risks are the ones that would be most affected. A number of these use reporting forms, and can keep their insurance in line with inventories and prices without much trouble. The agents will probably be held responsible for those other concerns. In other words, the insurance man must start all over again on his rounds of warning clients about increased prices and the need for insurance to value. Even though it may be only a temporary situation, if he has warned his client once about the matter, he would be expected to keep him informed as the prices take a sudden surge upward again.

Also, if insured are not apprised of price increases, they may suffer severe coinsurance penalties.

There are problems for the companies, too. On partial losses they can expect for a while to suffer and will have to make unusually high payments for the next several months.

Lifting of ceilings on automobiles is not expected to make any substantial difference in the settlement of physical damage claims, according to company men and adjusters in New York. Some increase in these settlements may result for a few weeks, but ceiling eliminations should bring a permanent improvement before long. Most observers in insurance appear happy at the change.

It is true that adjusters have used OPA ceilings as talking points and have been able to close out some claims on "as is and warranted" prices. However, when the chips were down, the ceilings did not control.

When ceilings first went into effect, many dealers raised prices to the ceiling level. Some of the ceilings were silly, particularly on trucks, where they were based on list price. No one pays list price for trucks, especially for big ones.

Adjusters have been following the procedure of checking the local market, and in many spots used car lots are loaded. With ceilings off, adjusters believe they can convince claimants that there are an appreciable number of new cars on the street, and that any substantial increase is unreasonable.

OPA ceilings on used passenger car parts and service were badly out of line with actual costs, and garages have been charging realistic prices and insurance companies have been paying them all along.

Whether the lifting of ceilings will have any effect on rates remains to be seen. Physical damage insurers have put off decision on rate increases until after Jan. 1. Present experience shows that rates are not wholly adequate, but much will depend on what happens in the next month or two.

Teacher Shortage Impedes Insurance Education Today

INDIANAPOLIS—Harry J. Loman of the commerce school, University of Pennsylvania, addressed a group of 75 insurance men here on the occasion of the awarding of the C. P. C. U. designation to Clifton H. Wilgus, Indiana Inspection Bureau, and Carl M. Russell, secretary Farmers Mutual Liability. Richard M. Thompson, Madison local agent, acted as toastmaster.

Dr. Loman emphasized the shortage of teachers of insurance which is hampering the work of insurance education. "With colleges everywhere adding to their courses in insurance subjects," he said, "insurance men who are C. P. C. U. graduates are being pressed into service on a part time basis to help fill the gaps until adequate instructors can be trained."

H. W. Mullins, National Fire, who had also earned the designation at Indianapolis, could not be present, having been transferred to the western department of National.

Slate Bowersock Nov. 14

NEW YORK—Donald C. Bowersock, president of Boston and Old Colony, will speak at the Nov. 14, meeting of the Insurance Accountants Assn.

Following that talk, the members will discuss the proposed revised form of annual statement for fire and casualty companies as submitted by the joint committee on uniform accounting of the accountants' association and Assn. of Casualty & Surety Accountants & Statisticians.

Barnes Electricity Chairman

P. W. Barnes of Fire Assn. was elected chairman of the committee on electricity and a director of the New York Board, and Charles A. Fowler of Fowler & Kavanagh was elected vice-chairman of the committee on electricity.

ADD TO YOUR DAILY INCOME

WITH THIS *Life Package*



Planned by the public . . . this "Life Package" instantly attracts the interest of everyone who sees it. Offering the six major features of a perfect investment—all wrapped in a clear, quickly understandable package—the "Independence Guarantor" is just what many of your clients seek. And you can present it clearly and concisely—without rate book, or special study. If you want daily sales the "Independence Guarantor," coupled with other Columbus Mutual Life Packages will give you a contract that will fit every need or pocketbook. Write for sample portfolio. No obligation whatsoever!

WHAT THE INDEPENDENCE GUARANTOR OFFERS

Financial Reserve—family benefits in case of death—disability payments with paid-up program—old age income—immediate cash plus family income in case of early death . . . a complete investment program that can be purchased on a "time-plan."

Packaged Plan—Packaged Premium—Packaged Profits



D. E. BALL, President

The COLUMBUS MUTUAL LIFE INSURANCE COMPANY

Columbus 16, Ohio

NEW YORK—Leo Waldman, New York City insurance broker, whose sales promotion gadgets have been widely publicized, has worked up a new one to help him make renewal policies stick. Having a number of clients on the books that he hasn't had time to call on during the year (and years, too, he admits) is a source of worry to Mr. Waldman, particularly at renewal time. Taking the bull by the horns, he encloses the cartoon shown here. While it doesn't show in this reproduction, the conversation in the "balloons" is individually hand lettered, thereby maintaining a personal touch that would be lost if it looked like a mass-production job.

The cartoon has proved effective so far in holding these clients.

(The foregoing article more accurately describes the purpose of Mr. Waldman's "Cartoons Pinch-Hit for Personal Calls" than the article we previously published.)

WALDMAN'S ONE HELL OF AN INSURANCE BROKER! YOU NEVER LAY EYES ON HIM FROM ONE YEAR'S END TO THE OTHER. WONDER WHAT HE LOOKS LIKE?

TRUE ENOUGH—HE SAYS DON'T CHASE YOUR OWN OR BE HOME IN ON YOU AS A LOT OF BUSINESS DO. ANYHOW HE DO MEET FROM HIM IN THE POND. EVERY WEEK AND WHEN HE WANT HIM HE'S ALWAYS AVAILABLE!



Half an Umbrella isn't ENOUGH



... and neither is yesterday's coverage, in the light of today's modern insurance technique. "Full-coverage" means more than ever before ... alertness in adjusting policies to meet increased values ... fuller protection against liability ... strong, non-assessable capital stock insurance that reflects the latest advances in planning. It means the type of protection GENERAL offers.

General of America, one of the nation's largest capital stock companies, is eager to assist agents in meeting the challenge—the opportunity—of ever-changing economic trends, by keeping real estate values and insurance in balance ... by providing all-risk type policies that meet nearly every requirement for complete protection. Are you taking full advantage of GENERAL'S modern, streamlined program?

Look to GENERAL, the leader, pioneers in writing "Preferred Risk" fire insurance coverage... the "blanket" type policies... new and better features in nearly all types of commercial insurance.



**GENERAL INSURANCE COMPANY OF AMERICA
GENERAL CASUALTY COMPANY OF AMERICA
FIRST NATIONAL INSURANCE CO. OF AMERICA**

H. K. DENT, President ... Home Office: SEATTLE

"The CAPITAL STOCK Companies of PREFERRED RISKS"

BRANCH AND SERVICE OFFICES IN PRINCIPAL CITIES THROUGHOUT THE UNITED STATES • CANADIAN DEPARTMENT, VANCOUVER, B. C.

NEWS OF FIELD MEN

Employers Names Hagen in Minn.

Appointment of Leonard Hagen as state agent for Minnesota and northwestern Wisconsin is announced by Employers Fire. He has been in the business 15 years, serving with Home from 1929 to 1943 and with the General Cover Underwriters Assn. for an additional 18

months. He served in the navy 20 months. His headquarters will be in the Northwestern Bank building, Minneapolis.

Virginia Field Men Active in Fire Prevention Work

RICHMOND — Virginia field men have been actively cooperating with the National Board in its campaign to spread the gospel of fire prevention and reduce

the heavy loss ratio. They have visited practically every section of the state, obtaining names of prominent citizens who might be interested in literature sent out by the National Board showing how fire losses may be reduced. Public officials have been very helpful in supplying names of citizens.

The fire prevention committee of the Stock Fire Insurance Field Club of Virginia, headed by W. P. Hundley, special agent of Firemen's, has been directing the drive. A report from participating field men was to be made at a meeting of the club in Richmond this week.

New Field Organization Is Formed in Washington

SEATTLE—A new field men's organization known as the Washington Fire Underwriters Assn. was formed here. All stock fire field men traveling or having jurisdiction over any part of the state of Washington are eligible for membership.

Officers are the same as those of the old Special Agents Assn. of the Pacific Northwest, Western Washington division: Paul F. Harrington, New York Underwriters, president; Carl F. Zecher, Travelers Fire, vice-president, and Fred W. Valley, Royal-Liverpool group, secretary-treasurer. The executive committee includes H. R. Breshears, American; J. D. McAnally, America Fore, and H. C. Rowles, North British.

Following the business meeting, there was a luncheon at which George G. Traver, public relations representative of the National Board, spoke. He has been on a tour of the coast, visiting Seattle, Portland, San Francisco and Los Angeles.

John P. Breeden, vice-president in charge of the coast department for Corroon & Reynolds and chairman of the public relations committee of the Pacific Board, was a guest.

Herren Special Agent of Fireman's Fund in Pa.

John L. Herren, Jr., has been appointed special agent of Fireman's Fund in western Pennsylvania. His headquarters will be in the Commonwealth building, Pittsburgh, with Special Agents Carl Timberman and William Campbell. Prior to entering the service, from which he was discharged last month as a first lieutenant, he was with the Middle Department Rating Assn. as an inspector and rating engineer for several years.

Conn. Field Group Rally Is Best Attended Ever

HARTFORD—The meeting last week of the Connecticut Field Club here was the most largely attended in history. The members attended a demonstration of sprinkler equipment and other fire protection devices at the laboratory of Factory Insurance Assn., and then there was a dinner meeting where gifts were presented to Wallace G. Bailey, who has been elevated to agency superintendent in charge of New England for Scottish Union; Wendell C. Hardy, promoted to general adjuster of New Hampshire Fire at the home office, and to H. Beach Ward, who has been transferred to Massachusetts for Boston and Old Colony.

The public relations committee reported that it has done considerable development work.

Gunn Bay State Speaker

Theodore W. Gunn of the New Hampshire Board will talk on "Playing with Fire" before the Bay State Club in Boston Nov. 15.

Ala. Pond Initiates 13

A record breaking splash was held by Alabama Blue Goose at Montgomery, when 13 goslings became ganders. Four ganders from other ponds were received into the Alabama Pond by flight. A dinner-dance was held in the evening fol-

lowing an afternoon of golf, a bowling tournament for the men and bridge party for the women.

Ala. Field Men Confer

The Alabama Fieldmen's Assn. held its regular meeting in Montgomery. Work of the committees on fire prevention and public relations was reviewed. The field men are pushing this work with Sam Bigger heading the fire prevention campaign and Hal Walker public relations. The Alabama Association of Insurance Agents, through Manager M. R. McGruder and the central office is cooperating.

K. C. Pond Initiates 10

KANSAS CITY—Ten were initiated at the fall splash of the Heart of America Blue Goose by Clyde L. Tindal, Firemen's, most loyal gander. New members are John F. Troll, Royal Exchange; Douglas Henson, Aetna Fire; Ivan D. Snow and W. W. Gugel, Underwriters Adjusting; T. G. Peters and W. E. Dow, Kansas City F. & M.; N. E. Viles, Jr., and Larry Magill, Missouri Inspection Bureau; James Moor, Loyalty group, and W. J. Gessing, Jr., The NATIONAL UNDERWRITER.

Guy J. McLean to Nebraska

Guy J. McLean has been appointed special agent in Nebraska, succeeding Jesse Benson, for Northwestern Fire & Marine, Twin City Fire and Citizens. For several years he traveled for these companies in Minnesota and North Dakota, and has just recently returned after four years in the armed services. His headquarters are in the Lincoln Liberty Life building, Lincoln.

Anthracite Group Meets

The Anthracite Field Club at its meeting at Scranton, Pa., was addressed by Thomas J. Evans, chief of Scranton's fire department, and N. J. Trama, his secretary, on the work and results of fire prevention week.

G. D. Cassar, head of the public relations committee gave a report. The speakers were introduced by W. J. Battershall, Crum & Forster, who presided.

John W. Turner, Northern Assurance,



Fire :: Automobile :: Inland Marine

—Financially Sound

—Unquestionably Reliable

—Vigorously Helpful

NORTHWESTERN

Fire & Marine Insurance Co.

TWIN CITY

Fire Insurance Co.

MINNEAPOLIS

MINNESOTA

Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Re-conversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

The AMERICAN APPRAISAL Company

VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES

and G. W. were accep

Jay Wic

Jay C. special ag Arizona 11 West J. Wickler, 1 ance fam from the tenant c Hiney, re departmen cisco as Prior to J was in Arizona t

Tiase to

North B G. C. Tia Agent R ters in th S. D. Mr. Ti the comp in the ho

Atchison

The K inspected public bu tation of A reinsp hospitals provera tions tha at a meet

Utah-Id

SALT ber meet Goose, R der, talk Blue Go the orga bership c made by F. H. B guardian David E chairman outlined son.

C. O.

ern Mis Employe fice after for a we

SALUTE

The C luncheon



Fred

edged a which o Chicago was in Fire, v early as Elme County a plaqu S. Cha of Chic ment in than 50 Other Ch Aetna

and G. W. Mortenson, Camden Fire, were accepted as members.

Jay Wickler to Arizona

Jay C. Wickler has been appointed special agent for Great American for Arizona and is establishing offices at 11 West Jefferson street, Phoenix. Mr. Wickler, member of a prominent insurance family, was recently discharged from the army with the rank of lieutenant colonel. He succeeds Wilbur C. Hiney, recently transferred to Pacific department headquarters at San Francisco as associate general adjuster. Prior to joining the army Mr. Wickler was in the southern California and Arizona field.

Tiase to S. D. for N.B.&M.

North British & Mercantile has named G. C. Tiase special agent, to assist State Agent R. P. Daniels, with headquarters in the Citizens building, Aberdeen, S. D.

Mr. Tiase during his 20 years with the company has held various positions in the home office.

Atchison, Kan., Is Inspected

The Kansas Fire Prevention Assn. inspected schools, churches and other public buildings at Atchison at the invitation of the superintendent of schools. A reinspection of county poor farms and hospitals of the state to check on improvements and further recommendations that may be in order was approved at a meeting of the executive committee.

Utah-Idaho Pond Meets

SALT LAKE CITY—At the November meeting of the Utah-Idaho Blue Goose, R. L. Salmon, most loyal gander, talked on "Hatching of the First Blue Goose Egg," and the growth of the organization to its present membership of 9,000. Brief talks were also made by F. C. Bromley, supervisor; F. H. Benson, custodian; A. R. Busch, guardian; C. W. Lundquist, keeper, and David Evans, welder. W. B. Tanner, chairman of the program committee, outlined some of the plans for the season.

C. O. Douglas, special agent for western Missouri and eastern Kansas for Employers Fire, has returned to the office after being confined to the hospital for a week.

CHICAGO

SALUTE CHICAGO PIONEERS

The Chicago Assn. of Commerce at a luncheon gathering saluted those business firms that were located in Chicago prior to the great fire of 1871. A number of insurance offices were on the list, and at the luncheon some of the representatives of the old-time firms that were present were introduced. For instance, John Naghten, president of the Chicago Board, acknowledged a salute for John Naghten & Co., which dates from 1863, and also for the Chicago Board, 1849. Fred J. Sauter was introduced as representing Aetna Fire, which had a Chicago office as early as 1843.

Elmer F. Reske, manager of the Cook County Inspection Bureau, presented a plaque to the association from the U. S. Chamber of Commerce in recognition of Chicago making the best accomplishment in fire prevention in cities of more than 500,000 population.

Other insurance offices listed as having Chicago locations prior to 1871 are: Aetna Life, 1850; Berkshire Life, 1851;

National Liberty, 1859; Moore, Case, Lyman & Hubbard, 1859; Home, 1853; Rollo, Webster & Co., 1859; Fireman's Fund, 1869; Starkweather & Shepley, 1871; Marsh & McLennan, 1871; Critchell-Miller, 1868; Millers National, 1865.

HILLMAN NOW WITH FELDMANN

W. C. Hillman, Chicago adjuster, has resigned from Wagner & Glidden there and has become associated with W. J. Feldmann, independent adjuster of that city. Mr. Hillman for 16 years was associated with the Cook County Loss Adjustment Bureau. Subsequently for

1½ years he was connected with Wagner & Glidden. Then he was in the infantry for three years, serving in Italy and France. He was awarded the combat infantrymen's badge and the European theater ribbon with two combat stars. Upon discharge he returned with Wagner & Glidden in Chicago.

GLOVER NOW WITH KELSO & SONS

Elmer J. Glover, Chicago insurance broker, has become associated with the Kelso & Sons general agency of that city. Formerly he had office in the Insurance Exchange branch of Continental Casualty there.

MANAGERS' NIGHT NOV. 21

The Assn. of Fire Insurance Examiners of Chicago is holding its annual managers' night dinner Nov. 21 at the Morrison hotel. On this occasion many of the managers and assistant managers of departmental and Chicago metropolitan offices accompany their examiners. The speaker is R. M. Beatty, executive general adjuster of Western Adjustment, his subject being "Underwriting Lessons on Property Damage and Business Interruption as Seen Through Loss Adjustments."

The redbook of accident and health policy data—the **Time Saver**. \$4 from The National Underwriter.

On your mark... Get Set...



**A plan designed to help
Banks keep financing at home**

*What agents do now to be ready
when production is resumed will
determine how much insurance
they will write on the cars and
household appliances bought
"on time" in their communities.*

Fire • Automobile • Marine



Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company
Fireman's Fund Indemnity Company
Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

SAN FRANCISCO NEW YORK CHICAGO BOSTON ATLANTA



Fred J. Sauter

POINTERS FOR LOCAL AGENTS

JAFFE, POHS, TUTTLE, HAAS ANSWER MEN.

Tips on Coverages and Claims Given N. Y. Group by Question-Answer Panel

BROOKLYN—A question and answer session on current underwriting problems was held at a luncheon of the Brooklyn Insurance Brokers' Assn. with Alfred I. Jaffe answering questions on fire, Herbert J. Pohs of Pohs Institute

of Insurance on casualty, David K. Tuttle on ocean and inland marine, and Carl E. Haas on life. All are Brooklynites.

During the business meeting plans were made for the annual luncheon and presentation of new officers Dec. 1. The special service committee was empowered to develop ideas for a training course.

The questions were rotated but are here set down by subject.

MR. JAFFE WAS ASKED:

What kind of risks qualify for some of the very low specific rates published for improvements and betterments?

I don't think it applies to any particular class of business, although practically all I've seen were restaurants, cafeterias, night-clubs, and the like, with a few clothing stores here and there. However, there are some qualifications:

The improvements and betterments must be of a structural character, and be a part of the building or pertain to its service.

The value of the improvements and betterments must be at least \$5,000.

The affidavit filed with the Exchange, applying for the special rate must specifically describe the improvements and betterments. The rate published would then usually be the building rate plus 10%, much lower than the contents rate.

No Cover After Plant Reopens

An assured carries \$100,000 U.&O. insurance. For three months after the loss, the plant is completely shut down, while restoration is going on. At the end of three months, the plant reopens, and is ready to operate at full capacity. However, business is bad at first, because its customers went elsewhere. It takes an additional nine months for operations to be in full swing. For how long does the assured suffer a complete loss and for how long a partial?

In this case the U.&O. form used doesn't matter, because the answer is the same. Assuming the amount of insurance is correct, he collects \$25,000 and no more. He collects in full for the first three months. Since the plant was fully restored after that time, the company cannot be responsible for the indirect consequences of the loss. (If this were not so, insurance companies would be underwriting the very existence and business activity of commercial firms.) If, however, the plant was partially shut after three months, he would collect partially to the extent it was shut.

What types of risks qualify for average blanket rates?

Contents in two or more buildings where the assured's operations are interrelated can be rated under an average blanket rate. It is not possible to get an average rate on the buildings themselves. However, an average blanket rate over the building and contents combined may be promulgated on a risk rated on a sprinkler schedule.

Increase of Hazard

U.&O. and rent insurance, where two or more locations are involved, may be written under average blanket rates.

An owner of goods in the hands of others can qualify on non-manufacturing risks only.

If the hazard is increased materially within the knowledge and control of the assured, who doesn't advise the company,

and a loss occurs, not due to the increased hazard, is it covered?

No. This might sound harsh, but the reasoning is simple. Had the company known of the increased hazard, they might have gotten off the risk, or reduced their liability, to say nothing of increasing the rate.

The policy is not void from inception; the coverage is merely suspended. Removal of the extra hazard makes everything all right.

What can an assured do if the mortgagee refuses to endorse the draft over to him?

Nothing. The mortgagee is completely within his rights.

Before the assured signs a contract to repair damage he should get a written statement from the mortgagee stating that when the property is fully restored the mortgagee will assign the draft. If the mortgagee refuses, about the only thing the assured can do is to pass the buck to the mortgagee about repairing the property.

E. C. and Sprinkler Cover Share

Assume a building with a sound value of \$100,000. The assured carries \$90,000 fire and extended coverage insurance with 90% coinsurance, and \$20,000 sprinkler leakage insurance on the building with 20% coinsurance.

A truck runs into a pipe of the sprinkler system, breaking it, and causing \$5,000 damage to the building. Who pays, and how much?

There is nothing in the leakage policy excluding coverage when the sprinkler system is damaged by motor vehicles, so the sprinkler leakage policy is fully liable.

Since the motor vehicle damage was the proximate cause of the loss, the extended coverage endorsement makes the fire policy fully liable.

As both policies comply with coinsurance requirements, and both are fully liable, they each must contribute \$2,500.

MR. POHS WAS ASKED:

An insured carries a jewelry floater and a residence theft policy on a blanket 100% basis. Assuming that he has failed to increase the insurance on the jewelry in accordance with present day value, in the event of a loss would the residence theft policy act as excess coverage?

There would be no coverage under the residence theft policy because the policy states: "The insurance afforded by this policy shall be excess insurance over any other valid and collectible insurance applicable to a loss covered hereunder; provided the insurance shall not apply to articles which are separately described and enumerated in and specifically insured in whole or in part by any other insurance." This limitation, found under

the section captioned "Other Insurance," would be more obvious if it were placed under the exclusions.

Briefly explain the financial responsibility law section contained in the automobile liability policy.

The right of the insurance company to seek reimbursement from the insured for any expense for which it would not have been liable except that the insurance company had filed a certificate of financial responsibility on behalf of the insured, makes the company absolutely and unconditionally liable for a judgment rendered against the insured up to the limits of liability. For example, under the exclusions the policy does not apply while the automobile is used for the towing of any trailer owned or hired by the insured and not covered by like insurance in the company. Assuming a certificate of financial responsibility has been filed by the company on behalf of the insured and thereafter the insured while towing a trailer in violation of this exclusion is involved in an accident and a judgment is obtained against him, the company is legally obligated to pay it, but under the financial responsibility section would seek reimbursement from the insured.

Put Eggs in One Basket

Do you consider it poor insurance practice to put the liability policies of a client in one company and the automobile liability policy in another company?

Yes. Liability policies cover business operations only and specifically exclude loading and unloading away from the insured's premises, whereas the automobile policy covers loading and unloading on or away from the insured's premises. In the event of an accident away from the insured's premises resulting from what the insured believes to be the unloading of a truck, he might find that the insurance company covering the automobile would claim that the accident was not due to the unloading of the truck but to a business operation of the insured. The company covering the general liability might claim that in its opinion it was not a business operation which resulted in the accident but the unloading of the truck. The insured would then be faced with the necessity of employing counsel and bringing both carriers into court to determine which company would be liable.

MR. TUTTLE WAS ASKED,

What is the selling price clause?

The selling price clause is often employed in the insuring of merchandise which is in the process of manufacture, where the assured desires to insure his ultimate profit. This clause, therefore, insures the merchandise on the basis of anticipated selling price, less all charges

(CONTINUED ON PAGE 28)

WANT ADS

OPENING AVAILABLE

For experienced Fire, Automobile, Casualty man. St. Louis territory. Must be capable of managing office and developing agencies. Please state experience and qualifications first letter. Good salary. Expense and contingent bonus. Address J-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Manager of insurance department with large growing auto rental and truck leasing company. Preferably some one who has had experience or knowledge of insurance placement, claim handling, adjusting, safety program, etc. Young man preferred. Starting salary \$250 a month. Phone Delaware 7272 for appointment.

WANTED IN DENVER

Nation-wide Insurance Brokerage office has position open in Denver area for a man with Rating Bureau experience and some knowledge of insurance coverages. Excellent opportunity for the right man. Write us giving your qualifications and expected salary. Confidential. Address J-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED TO BUY

Insurance agency in Cleveland, Ohio. Fire and Casualty. Stock Companies. Replies confidential. Address J-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION WANTED

Knowledge of general insurance, auto underwriting, agency, brokerage call desk and manager brokerage office experience. Address J-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED SPECIAL AGENT

An established fire insurance company with headquarters in Chicago, desire experienced man about 30 to travel Illinois. Excellent opportunity. Give full particulars as to age and experience. Replies confidential. Address J-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED YOUNG MAN ASSISTANT IN LOSS DEPT.

By western department of stock fire insurance company located in Chicago. Position has future possibilities. Give full particulars as to age and experience. Replies confidential. Address J-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Reinsurance

Of Every Description
Domestic and Foreign

LEONHART and COMPANY, Inc.

1020 ST. PAUL STREET
BALTIMORE 2, MD.

40 EXCHANGE PLACE
NEW YORK CITY 5

Californians Offer Substitute

(CONTINUED FROM PAGE 1)

in concert. A rating organization must accept as a member or subscriber any admitted insurer. An agreement cannot be exacted from an insurer that rates, rating plans and systems will be followed without exception. Later in the bill recognition is given to the possibility that some members or subscribers may feel an agreement to adhere under a specific set of circumstances is in the public interest. With the approval of the commissioner such an agreement is permitted.

Can't Prohibit Dividends

The memorandum states that in this way a maximum of competitive opportunity is provided and the public is still protected against rate wars or unsound insurance in special classes where agreements to abide are in the public interest.

Dividends or participations cannot be prohibited by an act of a rating organization. Provision is made for examination of groups located inside or outside the state that in any way assist rating organizations. Wide latitude is permitted for the exchange of information between insurers and groups so to make greater use of statistical information.

In the section on rating standards and making of rates it is provided that the rates shall not be unfairly discriminatory nor shall they be such as to endanger the solvency of insurers; consideration may be given to past and prospective loss experience inside and outside the state, conflagration hazards, underwriting profit, dividends to policyholders, past and prospective expenses, to all other relevant factors and insofar as fire insurance is concerned, to the experience during the most recent five year period; systems of expense provisions included in the rates for any insurer may differ from those of other insurers to reflect its own operating methods, etc. Risks may be grouped by classification for the establishment of rates and minimum premiums.

Reward "Independent Thinking"

The memorandum states that recognition is given to the essential need that the rates be applied liberally, rewarding independent thinking and efficiency in operation. There is a specific provision for freedom of contract between insurers and their agents and brokers.

As to the duties and powers of the insurance commissioner, the California proposal differs in important respects to proposals of the all-industry committee. It provides that licensed rating organizations be examined by the commissioner at least once every two years. The commissioner also, in conducting the regular examination of individual insurers, shall ascertain whether the insurer is in compliance with the provisions of the rating act. If the commissioner finds that any rate or rating plan does not meet the standards and provisions of the act, or that a rating organization is not in compliance, he may hold a public hearing. If, as a result of the hearing, he finds that an insurer or rating organization is out of line, he shall order the rate or rating plan discontinued within a reasonable period of time thereafter.

Affirmative Regulation

The commissioner may suspend or revoke the license of any rating organization or insurer which fails to comply with an order lawfully made. The memorandum expresses the "strong conviction" that the provisions governing standards, licensing, examinations and hearings provide affirmative and effective regulation without undue restraint upon the normal operations of the business, all at a minimum cost to the public.

There is a section specifying that nothing in the act shall be construed

to prohibit or regulate the payment of dividends to policyholders.

J. R. Maloney, chief of the legal and compliance division of the department at San Francisco, attended and Commissioner Garrison was standing by to appear.

After hearing Vice-president B. G. Wills of Fireman's Fund make a statement clarifying his company's position in respect to the measure, the committee adjourned to meet at the call of Chairman Senator J. J. McBride.

The redbook of accident and health policy data—the *Time Saver*. \$4 from The National Underwriter.

P.L. 15 Okla. City Topic

OKLAHOMA CITY—The Oklahoma City Insurers Exchange had a large attendance at its initial meeting. Reece Russell of Lawton, president of the state association, spoke briefly. George McFall of Eacock-McFall agency presented a demonstration of fire prevention methods, built on hazards created by improper electric wiring.

At the suggestion of H. T. Moran, members were asked to remain for an open discussion of public law 15. About 20 remained until 3 o'clock for the impromptu session. Interest centered on

the position of the agents on the all-industry bills to be presented to the Oklahoma legislature in January.

Clement Again Swats Bills

Strong criticism of the all-industry bills was reiterated by W. W. Clement, executive secretary of Risk Research Institute, at a meeting of the New England Controllers Assn. at Hartford Wednesday. Entitled "It's Your Billion Dollars," the talk outlined what the buyers' group believes the insurance regulation proposed in the bills will mean to the business community.



Your clients won't like Half Houses

In spite of all the discussion, warning and advertising, most home owners do not fully appreciate just how much the replacement value of their homes has increased. They hear about it, they read about it, but the chances are they haven't done anything about it.

The agents of the Security Insurance Companies, in this month's Broadside, are getting an almost foolproof plan for really convincing their clients of the extent of the local increase in realty values, and the importance of doing something about it.

Ten times a year agents of the Security Insurance Companies receive a different and practical, down-to-earth plan for increasing their businesses. Some of these are on specific and timely lines, some are devoted to particular classes

of prospects where much business profitable to the agencies can be secured.

This is but one of the services so much appreciated by agents of these progressive companies. Our agents can count upon the modern outlook of an up-to-date multiple-line organization with its staff of well-informed, helpful fieldmen. Security for your agency as well as your clients will require such companies in the hotly competitive days to come.



Security Insurance Companies

SECURITY INSURANCE COMPANY OF NEW HAVEN
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN
NEW HAVEN UNDERWRITERS
THE CONNECTICUT INDEMNITY COMPANY

1841 — SECURITY, THE NATION'S WATCHWORD — 1946

EDITORIAL COMMENT

Preparing to Let Luck Strike

A man should get well established in whatever he decides to do as early in life as possible. He should reach, naturally, the age when he is seasoned and has the faculty and experience to guide him along right lines. It pays for a man to stick to that course that gives him the greatest happiness and reward. One philosopher said if a person desires to rise in the world, the best thing for him to do is to settle down.

Perhaps there is such a thing as luck or fate. One may accidentally have

gone along a certain line, something may happen good or bad that was unsuspected. Many seem to search or wait for luck to come along. As we see it, luck knocks at the door of people who are prepared to let it come in. Their training, their preparation, their schooling, their reading, their living must all be in readiness to receive good luck if the knock on the door is heard. But it is not an accidental knock. The subject, himself, must be fully ready to welcome it when it comes.

In the Neutral Corner

Mostly by way of removing any suspicion that lack of editorial comment on the rating bill situation is due to business office influence, we feel constrained to make a few observations. Some of our friends have asked us whether we have kept our peace on the subject for fear that those in the all-industry cheering section would get mad at us and cancel their advertising if we should pick flaws in the model bills or that the all-industry adversaries would make reprisals if we said a kind word for the program. Nothing of the kind. In this debate, fortunately, anyone can chime in without fearing that someone will try to take him out of the play rather than meet his arguments.

Our silence editorially rather stems from a lack of conviction. We have followed the debate intently and have endeavored to publicize the arguments, the considerations, the problems as they have come to the surface. We hear a learned, well conceived argument on one side that seems persuasive and compelling and then hear the answer that seems to be annihilating. We have felt that our place has been to treat the news as fully and intelligently as possible so that as many facts and considerations as bear on the question would be illuminated and the issues closely outlined.

The questions involved are amazingly complex and profound, even when it comes to working out a pattern in an academic way without the injection of competitive considerations. When competitive passion becomes involved, too, then the answers become even more elusive.

One conclusion that we have reached is that there is nothing that can be termed absolute truth that can be extracted from the situation. In other words we fail to see how a neutral observer can listen to all the argument, and judicially say that this or that is the cor-

rect solution. We are entering an almost uncharted area. We are confronted at many turns with choices that are distasteful. The competitive considerations that are involved can't be dismissed as crass. At the outset of the discussion we said that any system that threatens to take away from any segment of the business any competitive position it enjoys or gives to any segment statutory superiority is unfair and that no one should be expected to make a substantial sacrifice through a change in the rules. If someone has reason to fear that his livelihood would be affected by a statutory enactment, it is not unseemly for him to utter objection.

One difficulty in trying to divine the correct procedure is that the reference points seem always to be shifting. For instance we were much impressed the other day by the statement of Mr. Berge, assistant U. S. Attorney General in charge of the anti-trust division that prior approval of rates would constitute "regulation" so as to present a barrier to federal anti-trust prosecution, subsequent disapproval might or might not constitute "regulation" and that a system whereunder insurers might apply rates at will subject to challenge by the commissioner would not constitute "regulation." That seemed definite enough and yet a few days later came the Republican landslide and who can say what Mr. Berge's opposite number in a Republican administration might conceive "regulation" to be.

There is one thing upon which we do have a conviction and that is that the all-industry committee made a mistake in insisting throughout on meeting behind closed doors and declining to make public anything but an extremely superficial account of what they were talking about.

We are confident that if they had deliberated more in the open, much of the

present heated argument that is now taking place would have come earlier and many of the issues settled satisfactorily not only to the satisfaction of the members of the all-industry committee but to the satisfaction of the insurance public. We are told that many compromises were made but we were not told what those compromises were and those that were to be affected by the compromises did not have an opportunity at the time to assay the effect and let their feelings be known and their influence felt. That is not to say that we don't share the admiration of all for the work of the all-industry committee and we are not criticizing the bills. But the public debate that is now taking place we believe could very well have taken place concomitantly with the deliberations of the

committee and the committee could have had the advantage of then judging more accurately the reactions of the insurance public and whether compromises could be made that would be accepted by those affected.

We feel that we possess no superior powers of logic or comprehension of the issues that would entitle us to undertake to pass judgment on the great problem of the hour. We do have faith in the Democratic processes and that some sort of an acceptable pattern of regulation will ensue from the political tussle that lies ahead. And that, then, even more importantly, lies ahead a long period during which the regulation will have to be shaken down to the realities and necessities of the insurance business.

PERSONAL SIDE OF THE BUSINESS

James A. Bawden, Indiana state agent of Springfield F. & M., went by plane to Springfield, Ore., for the funeral of his mother, who died there at the age of 89.

The oldest employe in point of service in the Loyalty group is Second Vice-president **James K. Meldrum** of the home office. His work span is 56 years. This was brought out in connection with the Loyalty Group 25 Year Club. There are 190 members.

About 125 attended a testimonial luncheon Tuesday for **C. M. Cartwright**, editor of THE NATIONAL UNDERWRITER, on the occasion of his 77th birthday anniversary. The group comprised the insurance membership of the Union League Club of Chicago, which for the past several years have been holding monthly sessions under the direction of Mr. Cartwright. He organized that unit at the suggestion of John L. Clarkson of Bartholomay-Clarkson Co. agency, when Mr. Clarkson was president of the club. Mr. Cartwright has been engaged in insurance newspaper work for 50 years.

Isaac Miller Hamilton, chairman of Federal Life, presided. He and Mr. Cartwright are the only survivors of the group that attended the organization meeting of American Life Convention at Chicago in 1896.

Representing various elements of the business, talks were made by Insurance Director Nellis Parkinson of Illinois; Charles F. Thomas, manager of Western Underwriters Assn.; Wade Fetzner, chairman of W. A. Alexander & Co.; W. H. Hansmann, vice-president of Fidelity & Deposit; Roy L. Davis, Assn. of Casualty & Surety Executives, and Robert L. Hogg, executive vice-president of American Life Convention.

In behalf of the assemblage Spencer Welton, vice-president of Massachusetts Bonding, presented Mr. Cartwright with a handsome cane and radio. George E. Turner, Chicago manager of the Acquisition Cost Conferences, read a eulogy that he had prepared. Mr. Welton was chairman of the committee on arrangements, the other members being Herman Zischke, manager of Union Central Life; A. F. Powrie, manager of

Fire Assn.; Walter Sheldon, W. A. Alexander & Co., and Ralph Miller of Conkling, Price and Webb.

Mr. Parkinson made the observation that publicity is the most effective regulator of business and he complimented THE NATIONAL UNDERWRITER on its news and editorial technique.

E. Walter Geisler, vice-president of Fred S. James & Co., and Mrs. Geisler are on a cruise to the West Indies and South America.

Although he is now approaching his 101st birthday, **Gen. Julius F. Howell** of the Howell-Backman agency, Bristol, Va., is still going strong. He demonstrated this when he made a talk before a regional meeting of southwestern Virginia agents, discussing the ethics of the business and detailing some of his experiences in it.

C. Stanley Stults, Hightstown, N. J., former president of the New Jersey Assn. of Insurance Agents and prominent in the N.A.I.A., was elected to the New Jersey assembly last week.

Samuel L. Richmond, who was for many years Peoria manager of Underwriters Adjusting, recently observed his 90th birthday anniversary. He is in good health and derives much enjoyment and pleasure from his daily life. He has an extensive acquaintance among insurance people in Peoria. Among those helping Mr. Richmond celebrate his birthday were Elwood R. Kroos, veteran local agent of Peoria, and Walter E. Parlier, deputy state fire marshal.

Carlan H. Goslee, agency supervisor of Phoenix of Hartford was reelected to the Connecticut general assembly. He has been with Phoenix 45 years, most of this time as an underwriter of business in the New York Fire Insurance Exchange and suburban divisions. His home is at Windsor. He is deputy judge of the town court of Windsor.

John C. Bunyan, Pacific Coast manager of Commercial Union group of companies, who suffered a severe heart attack several months ago, has recuperated enough to return to his office.

J. A. Ottenheimer of the Transportation Agency, Salt Lake City, immediate past president of the Utah Assn. of Insurance Agents, made good his promise

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: F. A. Post. Associate Editors: D. R. Schilling, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burridge.

PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 3794.
BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—550 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.

BOSTON 10, MASS.—258 Park Square Bldg., Tel. Hubbard 5696. William A. Scanlon, Vice-President.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowice, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.

DALLAS 1, TEXAS—502 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.

DES MOINES 12, IOWA—3233 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 20, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards,

Resident Manager.

MINNEAPOLIS 2, MINN.—554 Northwestern Bank Bldg., Tel. Main 5417. R. W. Landstrom, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

NEW YORK 7, N. Y.—39 John St., Room 1103, Tel. Beekman 3-2958. Editorial Dept. — R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor. Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

of six months chairman, back into time in 16 majorities tried through Congress the control legislature. Commission unsuccessful man in Micket. His A. D'Ewar

Mrs. He the late Jo of the John of Chicago I. and M. agency for Her husband's wives. Ser Mrs. Naughten, Mrs. Th secretary i bath, state and John Northern there. H. Arno Parkersbur

New

more likely ble. "If you some sort you are pa the net per you had be out in adv. The gre man is the ploye may amount of due.

Mr. Bot pose of t hour week whose emp If the usu that, go ca In the wage a of a hard the emplo paid their and if an while, his same. The the office the summ were allow substantial was paid the wage must be p hours he

If it is next, they weeks call out by w guaranteed doesn't w for a parti the risk guarantee be used in wage and more than more than

COOP

Postelle tor, urged publish a in relation interstate a need for few agen sponsibility result of Mr. Co

of six months ago, as Republican county chairman, to wing Salt Lake County back into the Republican fold, the first time in 16 years. The heavy Republican majorities candidates in the county carried through the U. S. Senator and Congressman, many county offices, and the control of both branches of the legislature for the G.O.P.

Commissioner John J. Holmes was unsuccessful in his race for Congressman in Montana on the Democratic ticket. His Republican opponent, W. A. D'Ewart, was winner.

DEATHS

Mrs. Helen N. Savage, daughter of the late John Naghten, founder in 1863 of the John Naghten & Co. local agency of Chicago, and sister of the late James I. and M. J. Naghten, who operated the agency for many years, died in Chicago. Her husband, James A. Savage, survives. Services were held Wednesday. Mrs. Naghten was an aunt of John A. Naghten, now president of the agency.

Mrs. Thelma Dando, for many years secretary in the office of E. W. Trenbath, state agent of Norwich Union, and John Hallberg, special agent of Northern of London at Seattle, died there.

H. Arnold Knotts, 47, a prominent Parkersburg, W. Va., local agent and

Wood county commissioner, died after an extended illness.

James H. Power, 50, a former director and long-time member of the Dallas Insurance Agents Assn., died in a Dallas hospital. He had conducted an agency there for 30 years.

Harry O. Snow, 75, who had been with the Polk County Insurance Agency, Des Moines, since 1935, died from a heart ailment.

J. R. Holmes, 78, veteran Lawrence, Kan., insurance man who had been retired for some years, father of C. B. Holmes of the Holmes, McGrew & Peck agency there and of Julius C. Holmes, soldier, diplomat, died in Lawrence, where he had lived for 36 years.

Harry P. Huxley, 69, former Iowa insurance department examiner, died of a heart ailment at the Veterans hospital in Des Moines following a lingering illness. He was with the department for 18 years before he became ill.

Archibald G. Hall, editor of the "Insurance Advocate" until 1940, died at age 84. He was an agent before founding the "Surveyor" in 1892, an insurance journal. He sold it in 1916 to become a broker and in 1922 founded the "Insurance Brokers Bulletin" which was merged with the "Advocate" that year with Mr. Hall as editor.

Arthur Tillmes, 80, president of the Arthur Tillmes & Son agency and real estate firm at Newark, died at his home at West Orange, N. J.

New Mexico Agents Hold Forth

(CONTINUED FROM PAGE 1)

more likely than not to run into trouble. "If you undertake to work out some sort of plan where it looks as if you are paying on an hourly basis, but the net result is to pay a fixed salary, you had better have your lawyer picked out in advance."

The greatest danger to the businessman is the provision by which an employee may bring suit for double the amount of overtime pay he alleges is due.

Mr. Botts emphasized that the purpose of the act is to establish a 40 hour week and penalize the employer whose employees work over that amount. If the usual work week is longer than that, go carefully, he advised.

In the insurance business, he said, the wage and hour act imposes as much of a hardship upon the employee as on the employer. Most insurance offices paid their employees on a salary basis and if an employee was off once in a while, his check was probably just the same. The employee was not docked if the office hours were shortened during the summer, or some extra holidays were allowed. So long as an employee substantially performed his work he was paid for it. All that changes under the wage and hour law. The employee must be paid for the exact number of hours he works each week.

If it is 44 hours this week and 36 next, they can't be averaged and both weeks called 40. If a scheme is worked out by which the employee will get a guaranteed salary, even though he doesn't work the full number of hours for a particular week, the employer runs the risk of having a court hold the guaranteed wage is merely a figure to be used in computing the regular hourly wage and that the employer must pay more than that if the employee works more than 40 hours during the week.

COOPER'S REPORT

Postelle Cooper, state national director, urged that the National association publish a pamphlet on agency practices in relation to federal laws governing interstate commerce. He said there is a need for such a publication, because few agents are aware of the new responsibilities placed upon them as a result of the S.E.U.A. decision.

Mr. Cooper called for reopening of

the fight for better qualifications laws in New Mexico. He said nothing had been done toward them since a governor pocket vetoed a qualification bill that had been passed by both houses a number of years ago.

"I think that we in New Mexico have missed a bet in not organizing educational groups for the study of different courses prepared by N.A.I.A.," he said. "I hope that there will be some of this work undertaken in the next year as the feast is spread and it is simply up to us to partake to secure the benefit."

Particular interest was shown in his account of the preliminary joint meeting of officers of the Colorado, Wyoming and New Mexico associations held prior to the N.A.I.A. meeting in Denver. He said that all present were unanimous in feeling that very poor service had been rendered in outlying districts by Mountain States Inspection and Rating Bureau. Though the shortage of help was recognized, all present felt it imperative that the condition be changed at once, he said. It was brought out that many desirable forms had been adopted under other bureaus and yet had been withheld from the mountain states. It was suggested that samples of all forms from both Pacific and midwest states be examined by a joint committee and recommendations made for changes or adoption where desirable. The Colorado association officers' offer to represent the views of the other states at hearings was accepted. It is hoped that out of this organization will grow desirable changes, particularly in more convenient forms. He urged that the lead of the Pacific states be followed in permitting building and contents to be written under a single classification in some instances.

Attorney W. A. Sloan gave a review of the occupational disease law that was enacted in New Mexico last year. The occupational diseases that are cov-

More Salary Boosts

National Fire has increased wages and salaries 10% up to a maximum of \$500, applicable to salaries up to \$7,000 a year, countrywide.

The Aetna Fire group has hiked salaries 10% with a maximum increase of \$750 a year.

ered number 30 and are specifically scheduled. The law applies to employers as to whom "the conditions and hazards inherent in the occupation involved are such as to expose employees to any of the hazards of the diseases listed." Hence in order to decide whether to recommend occupational disease coverage, the agent must collate the list of occupations conducted by the employer with a list of specific ailments named in the statute.

Certain types of ailments that are mentioned in the statute are likely to occur in nearly all kinds of manual labor and possibly justify the idea that O. D. coverage ought to be written routinely along with workmen's compensation.

The law provides for no permanent partial disability as in workmen's compensation.

In order to avoid the problem of allocating the fault for an occupational disease over various employers and various insurers, it is provided that only the last employer who subjected the claimant to the risk of occupational disease is liable. It is obvious that an insured who harbors occupational disease hazards must require searching questionnaires of every employee as to prior employments and ailments. False answers to the questionnaire is an absolute defense to an action for O. D. compensation.

Mr. Sloan declared the act contains an unworkable provision for reducing the number of weeks for which compensation for disability or death is payable. In the case of disability from occupational disease accompanied by another disease or condition which contributes to the disability, the doctor will have to decide what proportion of the disability is caused by the occupational disease and what proportion by the non-occupational disease and he will have to predict how long the disability will continue. Mr. Sloan asserted that a doctor's estimate on such a double contingency "is about as scientific as the selection of a three horse parlay."

APODACA TALKS

Superintendent Apodaca, in his address, said that New Mexico faces the decision as to whether to continue its system of non-regulation of rates and practices or whether a rate regulation law should be enacted. He said that the answer was given by Congress in the enactment of public law 15 and by the insurance industry and the commissioners in the recommendations of the all-industry committee.

Mr. Apodaca declared that the principles of rate regulation should be that all rates must be adequate, not excessive and not unfairly discriminatory; companies may combine to fix and file rates or may file their own, but not until the state authority has had an opportunity to determine whether they meet statutory standards; rating bureaus are permitted under strict safeguards which include protection of the rights of subscribers and minority members and competition is encouraged by a number of devices including provision for deviations, for companies to adopt their own system of expense load-

(CONTINUED ON PAGE 29)

Wendell Berge Featured at West Virginia Parley

(CONTINUED FROM PAGE 2)

the business is to bring to the public, to the industry and the government, a better understanding of the industry's problems; to point out fallacies in any existing practice or law which interfere with sound development; to sweep aside outmoded practices, and to render help in the drafting of constructive legislation. "If private enterprise in the insurance business is to fulfill its promise and its obligations, the states must police it without obstructing it and must encourage it without hampering it," he declared.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.

1854

The Connecticut
Fire Insurance Co., Hartford, Conn.
1850

Equitable

Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada

HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

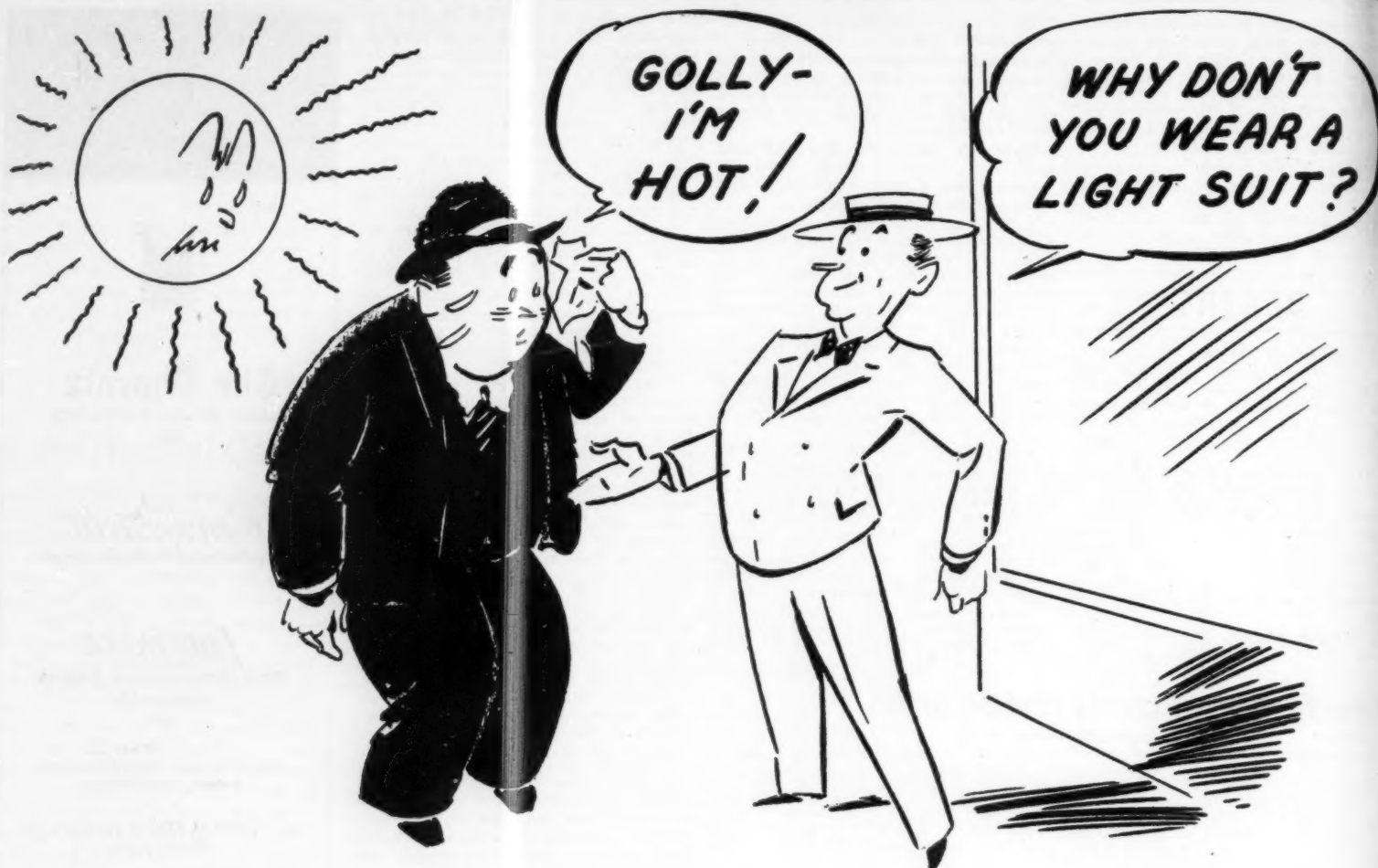
SAN FRANCISCO
120 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED



YOU know yourself from experience that on a hot summer day you are more comfortable in a light colored suit than in a black suit. The reason is simple. . . light color reflects heat and dark colors absorb it.

The same applies to plate glass window fronts . . . but they can't come in out of the sun like you can. They must take it and many times black plate windows get so hot from absorbing heat that they crack . . . causing loss to you and inconvenience to your insured.

As 98% of store owners do not realize the hazards of using black paint on window fronts, plan to cooperate in the campaign to reduce unnecessary plate glass breakage by stressing the advantages of lighter colored tints of paint.

RECOGNITION MERITED BY OUR SERVICE

Benjamin Beris, President

American Glass Company
1030-42 NORTH BRANCH STREET • CHICAGO

The N
UNDE

FTC, A
Robin
Report

N.A.I.
lease
Reve

The N
and rating
legislation
midable l
When s
—A fair t
level, en
after h
practices
enumerat
desist o
whether
—A fair t
level un
adjudica
practices
orders i
the med
—Three r
commit
act.

A. & H.
—A bill
accident
is neith
by the
ference
Bureau
writers
(by wh
sult of
lation n
—A repor
commis
York O
—A men
negative
3 of the
section)
by an in
itable l
if it re
profitab

Should K

The co
the propo
unfair act
left to th
It looked
tive meth
lem. In l
ods of co
tive acts
The two
unfair act
which are
enumerati
tices will
field and,
be made
cover une
Each o
practices
Misrepr
tising of
mation a
amation;
dation; fa
operation
tracts; d

Stock Op

The s
board co
fering ag
capital s
(C

FTC, A. & H., and Robinson-Patman Reports Made

N.A.I.C. Committees Release Sheaf of Documents Revealing Excogitation

The N.A.I.C. committees on rates and rating organizations and on federal legislation this week released a formidable lot of documents.

When sorted out, they proved to be:—A fair trade practices bill at the state level, empowering the commissioner, after hearing, to determine unfair practices other than those specifically enumerated and to issue cease and desist orders as to all unfair practices whether enumerated or not.

—A fair trade practices bill at the state level under which the power to make adjudications as to unfair acts and practices and to issue cease and desist orders is given to the courts through the medium of the attorney general.

—Three reports of the all-industry subcommittee on the Robinson-Patman act.

A. & H. Considerations

—A bill for form and rate filing for accident and health insurance, which is neither the measure recommended by the H. & A. Underwriters Conference nor that put forward by the Bureau of Personal A. & H. Underwriters but which "was developed (by whom it is not stated) as a result of a study of these two and legislation now in force in certain states."

—A report of the meeting of the joint commissioners committees at New York Oct. 23-26.

—A memorandum answering in the negative the question: "Does section 3 of the Clayton act (tying contracts section) prohibit an agreement whereby an insurer agrees to accept unprofitable business from an agent only if it receives a certain amount of profitable business?"

Should Keep Out FTC

The committee was unanimous upon the proposition that the regulation of unfair acts and practices should not be left to the federal trade commission. It looked with favor upon two alternative methods of dealing with this problem. In both alternatives unfair methods of competition and unfair or deceptive acts and practices are prohibited. The two proposals enumerate specific unfair acts and practices in the business which are generally known. But the enumeration of specific acts and practices will not completely occupy the field and, therefore, provision had to be made for an omnibus section to cover unenumerated acts and practices.

Each of the bills enumerates unfair practices under these headings:

Misrepresentations and false advertising of policy contracts; false information and advertising generally; defamation; boycott, coercion and intimidation; false financial statements; stock operations and advisory board contracts; discrimination, rebates.

Stock Operations

The stock operations and advisory board contracts subsection prohibits offering agency company stock or other capital stock, or benefit certificates or

(CONTINUED ON PAGE 28)

Arizona Agents Reelect Nehring

More Than 100 Attend Douglas Convention; E. C. Stone Featured Speaker

NEW OFFICERS ELECTED

President—Kenneth L. Nehring, Tucson.

Vice-president—J. R. Heron, Globe.

Secretary-treasurer—Paul H. Jones, Tucson.

State national director—Verland Haldiman, Phoenix.

DOUGLAS—Meeting at the Gadsden hotel, Douglas, for their 12th annual assembly more than 100 members of the Arizona Assn. of Insurance Agents reelected as president and secretary-treasurer Kenneth L. Nehring and Paul H. Jones of Tucson. Also elected was J. R. Heron, Globe, as vice-president. Verland Haldiman, Phoenix, will continue as national state director.

Following a welcoming address by Mayor Everett J. Jones, himself an insurance man, members settled down to a strenuous two-day convention schedule. A high-light was a talk by E. C. Stone, U. S. manager of Employers group. Mr. Stone warned against unconsidered adoption of any set of state regulatory laws, but came out firmly for state regulation as against federal control.

"In the interests of the American free enterprise system, remember that it is easier to make our wishes known at the state house than at the national capitol," he stated.

Irving Jennings, attorney, demonstrated the practical application of Mr. Stone's principles, to problems in Arizona.

C. Bruce Lyle, president National Assn. Independent Adjusters, made some valuable observations in his address, "The Producer and the Adjuster," and Jay W. Stevens, of the National Board pointed out the benefits to be derived from closer cooperation between local insurance boards and fire departments.

Legislative Study Group Named

In a discussion, the agents moved that a committee be appointed to make a thorough study of the legislative questions which had been reviewed during the meeting.

A cocktail party was given for the agents by company representatives, and the banquet featured dinner dancing in western style to a cowboy band.

A case for better understanding between agents and adjusters was delivered by C. B. Lyle of the Lyle Adjustment Co., Phoenix. Mr. Lyle said that there is a great common interest between an agent and adjuster and cooperation could mean more in dollars for the insurance business.

Often the adjuster and assured reach an impasse because of misunderstanding that could have cleared up by the agent when the policy was sold. Because it is not, the public generally appears to have the view that insurance companies are sitting ducks.

Mr. Lyle said that otherwise honest individuals connive with each other and against insurance companies to have their respective P.L. and P.D. carriers pay for damage to two automobiles where neither individual carried collision. There are many cases of personal property floater claims coming around renewal time in an amount sufficient to cover the premium. Accident and health coverage has lent itself to many such dishonesties, he said.

Possibly some of this misunderstanding is due to the peculiar terminology of the policies themselves, he suggested. Where a policy is described as "all risk,"

Mass. Compulsory Liability Rates Increased 6%

BOSTON—Massachusetts compulsory automobile liability insurance rates have been jumped an average of 6% for 1947 by Commissioner Harrington, according to the tentative rate schedule given out the past week. The increases range from 60 cents to \$3.60, according to territorial classification. It is estimated the public will have to contribute \$1 million additional to drive cars in 1947. However, Commissioner Harrington states that the proposed premiums for 1947 aggregate approximately \$2 million less than in 1941, the last pre-war year. The 1946 premium total, moreover, is approximately \$3 million less than the 1941 figure.

The increases in rates are stated to be merely a reflection of post-war conditions, which have put more cars on the road and consequently have resulted in an increased accident rate. As of Sept. 30 this year there were 935,930 vehicles of all types on the state's highways, an increase of 104,005 over the corresponding date in 1945.

Chelsea, as usual, has the top rate of \$59.40, an increase of \$3.40. Boston and Revere rates increase \$2.90 to \$50.30.

A hearing on the Massachusetts rates is scheduled for Nov. 19 and the expectation is that the insurers will ask for a larger increase. It is understood the companies requested an increase of 17½% over the 1941 rates which approximated 25% above the 1942 rates. The increase which the commissioner has announced does not bring the rates up to the 1942 level.

To Take Kan. Commissioner to Court on Auto Rates

The National Bureau of Casualty & Surety Underwriters is scheduled to file suit against Commissioner Hobbs of Kansas in the Shawnee county district court, Topeka, late this week or early next. The bureau will seek judicial review of its filing of automobile public liability and property damage rates, which Mr. Hobbs has declined to approve.

"comprehensive," or "full coverage," the agent should explain to the insured that while there is full coverage collision, it is subject to a convertible premium. It should also be explained what the application of the average clause will do in event of partial loss. The assured should know that under a comprehensive public liability policy there are still certain exclusions, and that the all risk policy covers certain named perils, but also has some exclusions.

When an assured finds his policy does not cover a loss, the first person he can take it out on is the adjuster, Mr. Lyle declared. If the adjuster fails in his job, the insured is likely to have an unfriendly attitude towards the business and the agent who wrote a coverage that failed to give protection.

Adjuster Can Help

The adjuster is in a position to do some missionary work and help overcome these prejudices and dishonesties by the assured.

Mr. Lyle reiterated the old saw that policyholders seldom read their policies. The agent could materially assist an adjuster if an assured has had his policy explained at the time of the sale.

Then too, agents are particularly interested in having assureds contacted

(CONTINUED ON PAGE 26)

Moser Exhibits Undimmed Ardor for Model Bills

Ill. Bar Hears Smith, Kadyk, Parkinson Views

Members of the insurance section of the Illinois Bar Assn. at Chicago were treated to an impassioned defense of the all-industry bill by Henry Moser, All-state attorney, and member of the all-industry committee; an outline of the federal trade commission act by Chase M. Smith, Lumbermens Mutual attorney and all-industry committee member, and pregnant observations by David J. Kadyk, Lloyds attorney, and Director Parkinson of Illinois.



H. S. Moser

Some observers had expected Mr. Moser to back track to some extent to express more nearly what current attitude of the independent group was thought to be. His almost evangelic advocacy of the model bills, therefore, was taken to mean that the independents have undergone a change of sentiment.

Mr. Moser's unreserved advocacy of the all-industry measures is interpreted by some to indicate that the National Assn. of Independent Insurers of which he is immediate past president, is safely



C. M. Smith



N. P. Parkinson

back in the all-industry camp. At the recent Chicago meeting of the independents strong opposition to the all-industry bills was voiced and it was only due to the insistence of Mr. Moser that the resolution that was adopted was as mildly critical as it was.

Interim Committee Members

Messrs. Smith, Moser and Kadyk are members of the interim committee on insurance legislation appointed by the Illinois governor. Samuel Levin presided as section chairman and introduced Paul Jones of Danville, former Illinois director and interim committee member.

Although Mr. Kadyk prefaced his remarks by saying that he was on neutral ground in regard to the all-industry bill, it was obvious that his remarks fired Mr. Moser who devoted considerable time to a rebuttal of them. Coming on before Mr. Moser, Mr. Kadyk said that when rates are regulated by the government for any industry it stifles all competition and it is just one step from there to complete socialization. It was his opinion that there is real danger that insurance regulation will go too far. It is all right for a state to protect and govern company solvency, but this does not carry with it the right to govern all

other aspects of insurance. He pointed to the railroad industry as an example of what happens when government control is so strong that competition is in a strait-jacket.

Mr. Kadyk said that representatives of the federal government have emphasized that buyers are the primary concern in insurance regulation. These representatives do not seem to feel that more stringent rate regulation is necessary.

Mr. Kadyk indicated he could not understand why the model bills call for the filing of rates with the state. He said that, in Illinois at any rate, insurers have brains enough to run their companies on a sound basis and no insurance executive will throw away the assets of his company through inadequate rates. He said no company in Illinois had ever gone broke because of inadequate rates.

He quoted a statement of the Risk Research Institute to the effect that if the model bills are enacted insurance will pass under government control to greater extent than any other industry and the statutes will arm the states with the final authority in every phase of the business. He questioned whether the insuring public had been given adequate hearing before the all-industry committee. "The public is ultimate judge," he warned.

Might Stunt Illinois Carriers

Mr. Kadyk, who spent 11 years as an attorney in the Illinois department, said that during his stay there he had been amazed to find that Illinois insurance companies are so small and deficient as compared to out-of-state insurers. He termed the amount of business placed by Illinoisians with Illinois companies ridiculously small and said there is something wrong with the setup that adoption of the all-industry bill might make even worse. The model bills might well stifle what competition there is in the state and keep Illinois companies from ever reaching the status to which they are entitled, he concluded.

CHILDISH, IMPRACTICAL

"The air is filled these days with constant appeals for 'minimum' regulation, a term which packs sex appeal as powerful as a proposal to repeal all taxes, but is childish and impractical in the face of the situation," Mr. Moser charged.

"In the first place, nobody is seeking regulation, no one has his wrists held out for handcuffing. Whether we like it or not, the old order is passed and the choice now is not shall we have regulation, but who will do the regulating; congress or the states.

"If regulation of insurance falls into federal hands all the evils of the fallen utilities and railroads, as pictured by Mr. Kadyk, will be ours, or we may attempt to save insurance for the state."

Nor is it a choice of regulating some and not regulating others, Mr. Moser said. Insurance is different from any other business, in that its customers are the real losers in case of a failure. Therefore, the business cannot be operated as an ordinary industrial venture, he said. Insurance costs are dependent on the future which is uncertain, therefore, it is necessary for some collaborating action for determining future loss costs. This is the philosophy of the all-industry committee.

In passing P.L. 15, congress has recognized rightfully that there is some value in concerted action for insurance. It is blindness to say that the business cannot operate without collaboration which will permit pooling of experience.

Immediately following the S.E.U.A. decision, Mr. Moser characterized himself as one of those who felt that those companies which were not involved in collaboration were perfectly clear and needed to take no action to adjust to the new philosophy. Later he came to realize that this could never be hoped for, because if some companies are free and others subject to rate regulation,

(CONTINUED ON PAGE 27)

Nickel Case Spurs Sales

Mergenthaler Loss Is Powerful Surety Object Lesson

NEW YORK—The case of William A. Nickel's embezzlement of at least \$734,000 from the Mergenthaler Linotype Co. reached the grand jury stage this week. Nickel was in jail under \$100,000 bond. Irving Cohen, Joseph Milstein and Isadore Rappaport are out on \$25,000 bail, and Julius Davis is being held, all on charges of participating in the embezzlement. Joseph Kupfnecker, who had his name changed to Joseph West, and who was partner in a check cashing agency whose license has been suspended, was held as a material witness in bail of \$100,000.

No further particulars have been disclosed as to the amount embezzled. About \$242,000 of the stolen funds have been traced to Nickel, but apparently the authorities have not located any of the remainder. Nickel's system was to forge invoices and pay them with forged checks. For two non-existent firms he filed certificates of ownership with the county clerk at New York. He cashed the checks at check cashing agencies. Most of the checks then passed through the hands of one, two or more banks before reaching the Mergenthaler account in Bank of New York.

While the depositor's forgery bond of \$75,000 carried by Mergenthaler includes a waiver of subrogation against the Mergenthaler bank, surety men said it would be normal business procedure for the Mergenthaler company to proceed against its own bank in an effort to recoup its loss and for that bank then to go against the previous guarantors. This would bring in the blanket bonds of the banks involved, and would proceed in a chain till the check cashing agencies were reached.

The key question at present is whether the checks manipulated by Nickel carried the actual forgery of any name. While invoices were forged and payees were fictitious or had fictitious addresses, the checks were signed by officers of Mergenthaler. If there was no forgery, then \$5,000 is all the coverage Mergenthaler has, and it would not have much with which to proceed against the Bank of New York. If forgery is proved, Mergenthaler can collect the \$75,000 depositor's forgery bond, and move against the Bank of New York for the rest of its loss. Bank of New York, with adequate coverage in Indemnity of North America, could then implead Chase National Bank, covered in National Surety; against the federal reserve bank, insured in Aetna Casualty; Royal Industrial Bank, and

other banks involved and their insurers.

Doubt was expressed that there would be much recovery from those agencies. The surety, which is American Surety, would ordinarily seek recovery of its \$5,000 loss under the schedule bond on Nickel from Bank of New York or prior guarantors and for its \$75,000 forgery bond on Mergenthaler from guarantors up to the payee Bank of New York.

Surety men report a number of calls from insured, and many of them have asked for an increase in the penalties of bonds carried. The spectacular nature of the loss has illustrated with great effectiveness the potential hazard faced by commercial and financial concerns, and has been a much better closing argument than any sales talk.

The W. B. Joyce & Co. brokerage firm took a large space in Tuesday's New York "Times" calling attention to bond under insurance and stating that Mr. Joyce "originated the American form of blanket bonds" along with 11 other forms in the bond field.

"In preparation is the most comprehensive blanket crime coverage bond-policy ever conceived," the ad concluded.

G. F. Meredith Chicago Head

George F. Meredith has been assigned to Chicago as resident vice-president of U. S. Guarantee.

T. K. Mount, who has been Chicago manager, is now at the home office.

Mr. Meredith has been secretary of the fidelity department at the home office specializing in production and underwriting of bankers and brokers blanket bonds. Before joining U. S. Guarantee 10 years ago he spent 10 years with Globe Indemnity at New York. He is widely known as a golfer, having won the Garden City, L. I., Country Club championship several times.

Mr. Mount will serve in the contract bond department.

Reargue Anesthetic Case

WASHINGTON — Reargued before the U. S. Supreme Court this week was United Commercial Travelers vs. Edward C. Wolfe, appealed from the South Dakota supreme court. This case had been argued last February, with Justice Jackson absent. The remaining members of the court were reported tied on the matter. After Chief Justice Stone's death, the case was set, in April, for reargument before a full bench.

It involves a claim of Wolfe, as assignee, under a policy in United Commercial Travelers on Ford Shane, who died from administration of a local anesthetic for a medical examination in a doctor's office in South Dakota. The widow's claim was disallowed by United Commercial Travelers, and she assigned to Wolfe.

Commercial Travelers asked for certiorari writ to the South Dakota supreme court, which had ruled against the insurer's regulation that suits for benefits must be brought within six months. Application of the full faith and credit clause of the Constitution is involved.

H. F. Fellows appeared as attorney for Wolfe in argument before the court. Commercial Travelers' attorneys are Byron S. Payne, Pierre, S. D., and E. W. Dillew, Columbus, O.

After 13 Years a Dividend

A first dividend of 7½% on all allowed general claims is recommended for payment by the receivers of International Reinsurance which went into receivership in 1933. There are \$18,332 allowed general claims amounting to \$9,982,076, 86 conditional claims amounting to \$249,057 and 49 preferred claims of \$4,565.

A hearing will be conducted Nov. 27 in the court of chancery, Wilmington, Del., on the report and petition of the receivers. During the years more than 3,000 suits have been filed by claimants.

Keep Controls Off Auto Business, Maurer Asks

There is a healthy competitive situation in the automobile insurance field. The business is free from stifling governmental regulation and this has resulted in more liberal protection and highly competitive rates. Other industries are finding that decontrol was totally necessary for restoration of the economy and that when the government does interfere, the result is reduction in total production and the public suffers.

These views were expressed by Irving J. Maurer, treasurer of Farmers Mutual Automobile of Madison, in his talk at the annual meeting of the National Assn. of Mutual Insurance Companies at Buffalo this week.

Mr. Maurer emphasized that insurance is governed by the law of averages and that it is impossible to amend or repeal. He said that like other industries, insurance must avoid boycott, intimidation, and coercion; and legislation which has the effect of making small farm automobile insurance company, operating only in Kansas, conform to the operating methods, classification and practices established by a rating bureau domiciled in New York, strikes the layman as being a form of intimidation or coercion against which the Sherman act is intended to protect.

Insurance must also avoid monopolies through illegal price discrimination. Mr. Maurer said that legislation which has the effect of making a small successful company keep elaborate uniform statistics for filing support, or else charge the uniform non-competitive rates promulgated by a group of companies writing a less select class of business, strikes the layman as being a form of price discrimination practice against which the Clayton act is intended to protect.

He declared that no one questions the economic advisability of insurance companies forming and joining statistical bureaus for the purpose of pooling experience. States without such bureaus should enact legislation authorizing them, but with the provision that a company shall be required to become a member, he said.

The statistics gathered should be broad in scope and include no splitting of hairs. Classifications should be so broad that independent companies without elaborate statistical machinery can report from their normal records without going to added work and expense. These statistics should be reported to the commissioners for use as a yardstick to gauge in a general way, whether independent company filings are excessive, inadequate, or unfairly discriminatory, he asserted.

Mr. Maurer said that there is no quarrel with a provision requiring every insurer to file with the commissioner manuals of classifications, rules, and rates. But the requirement that each such filing be accompanied by detailed information upon which the filing rests, is the "point where liberty ends and servitude begins."

He said that if detailed supporting information and prior approval or subsequent disapproval are written into laws, companies are surrendering to commissioners the basic responsibility for the solvency of a company. That is the point at which a commissioner would be departing from his primary duty of protecting the public and would be telling independent companies what to write, how to write it, and at exactly what price.

The automobile insurance has grown through healthy competition, and Mr. Maurer asked, "Why stifle this natural growth and competition to the policyholders' disadvantage? Does anyone believe that rigid legislation, freezing things to a standard of rules and rate is a substitute for underwriting know-how developed through years of painstaking experience?"

At 80-Year Mark

Joseph E. Callender, who was associated with Ocean Accident for almost 40 years as agent and manager of the central department at Chicago, is celebrating his 80th birthday next Tuesday. Mr. Callender is located at 1270 Shuler street, Route 3, Box 64, Elgin, Ill.

Mr. Callender was one of the great casualty executives of Chicago and was a potent factor in the business during the many years that he was active. Mr. Callender's health is good and he is enjoying to the utmost his retirement in the Fox River Valley region where he has so many attachments. Mrs. Callender's health is also good.



J. E. Callender



Business Builder

ENGINEERING SERVICE



This Engineer is Building a Strong Sales Point for You

Inspecting an elevator? Yes . . . but he's also doing *more*. He and more than 200 other experienced members of Aetna's Engineering and Inspection Department are building goodwill for Aetna Agents — setting off a chain-reaction of client satisfaction that leads to increased sales and greater earnings.

Daily, these experts are helping to keep industrial operation at top efficiency — are doing their part to improve the quantity and quality of output. They are conserving lives, health and property — are helping to set new

low records for time, money and property lost as the result of accidents — are lowering both production and insurance costs for Aetna clients. In addition, with the help of Aetna's Home Office Research Laboratory, they are helping to solve many knotty problems for industry.

Their superior engineering service is one of the strongest talking points an agent can have. Find out about this Aetna Business Builder today . . . and how it can help you make more money.

AETNA CASUALTY AND SURETY COMPANY

Affiliated with Aetna Life Insurance Company
Automobile Insurance Company — Standard Fire Insurance Company
HARTFORD 15, CONNECTICUT

**BUSINESS
BUILDERS**

*Accident, Health,
Casualty,
Fidelity & Surety*

★

ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

Organized 1875

★

111 John Street - New York, N. Y.

Ogden Davidson
United States Manager

Charles A. Barkie
U. S. Assistant Manager

Mid-Western Department
INSURANCE EXCHANGE • HARRISON 8888
Hugh T. Millard, Manager Harold T. Roos, Assistant Manager



Established 1915

Specializing in

Service to

Agent and Insured

EUREKA CASUALTY COMPANY

PHILADELPHIA, PENNSYLVANIA

Morphine Injection, Collapse of Respiratory System, Pneumonia, Double Indem.

Students of accidental means have got one for the book in the decision of the U. S. tenth circuit court of appeals holding New York Life liable for double indemnity benefits in a death as a result of pneumonia, which was induced by complete respiratory collapse, which in turn was the result of morphine injections. The case was New York Life vs. Cooper.

The injections were administered for relief of kidney stone pain. The trial court found that while complete collapse of the respiratory system may follow the injection of morphine sulphate, such a result is regarded by physicians as only a remote possibility and one that is not to be expected.

Death then, the court, stated, was the unexpected result of intended means. New York Life contended that an accidental result of intended means is not covered.

This was a Kansas contract and the court of appeals said the question is what the Kansas courts have held. The court concluded that Kansas makes no distinction between accidental means and accidental results of intended means. Hence the judgment for the beneficiary was affirmed.

William H. Martin, William F. Tucker were attorneys for New York Life while the beneficiary was represented by Garrett Logan, Villard Martin, Virgil Hicks.

Bankers Ask Printers to Help Catch Check Operators

The American Bankers Assn. has suggested in its "Bulletin" that printers can be of aid in catching false check operators.

Printers who are asked by strangers to print checks can get in touch with banks upon which the checks are to be drawn before proceeding to fill orders. This system worked successfully when the Ohio Bankers Assn. made such arrangements with the Ohio Printers Federation, and have also been effective in Chicago and Miami.

These operators sometimes request printers to put a fictitious firm name on checks over a regular bank issue or to make an over-print of private checks.

May Now Bracket "Comp" and Comprehensive in N. Y.

Permission for insurers to include compensation coverage within the comprehensive personal liability policy has been granted by the Compensation Insurance Rating Board of New York. The National Bureau and Mutual Casualty Insurance Rating Bureau will retain, as to their members, jurisdiction over the liability provisions of the policy while the compensation board will retain jurisdiction over the compensation cover.

It is expected that this will facilitate providing compensation coverage for householders who will be brought under the mandatory provisions of the New York compensation law Jan. 1. Under the new amendment all domestic workers employed by the same employer for a minimum of 48 hours a week in places of 40,000 population or more are brought under the compensation law. The coverage may, however, be extended when desired to all domestic workers.

The compensation coverage may be provided in the comprehensive personal liability policy by authorized endorsement or by specific provisions incorporated in the body of the policy. The compensation coverage shall include all domestic workers unless the restrictive endorsement is attached.

The redbook of accident and health policy data—the *Time Saver*. \$4 from The National Underwriter.

National Bureau Declines to File North America's Limited Theft Form in New York

NEW YORK—The National Bureau of burglary insurance department has rejected Indemnity of North America's request that its limited form of residence and outside theft policy be filed with the New York department.

The limited form, which is sold for a lower rate than the regular type, omits the mysterious disappearance clause provides no coverage in unlocked cars left in public places, limits liability to \$250 on thefts from locked cars.

Brokers Favor Deletion

Besides North America and a number of small casualty companies, opposition to the mysterious disappearance clause comes mainly from New York City brokers, many of whom feel that the clause is such a frequent source of misunderstanding and friction that it should be eliminated.

3 Former Blue Cross Men Join John Marshall

John H. Begley has been elected vice president in charge of office administration of John Marshall in Chicago. Until recently he was assistant director of Chicago's Plan for Hospital Care. He was in military service for 3½ years and previously had served as assistant director of Michigan Hospital Service which he helped John R. Mannix, president of John Marshall to organize in 1939.

Robert J. Marsh has been named secretary of John Marshall. He will remain at Huntington, W. Va., where he formerly headed Huntington Hospital Service, and will direct John Marshall in West Virginia.

V. H. Breitenbach has been appointed Chicago area enrollment manager. He was manager of the western national enrollment office of Blue Cross until September, and previously served with Blue Cross plans in Chicago, Kansas and Wisconsin.

Abandon Cal. Exhibit

LOS ANGELES—Casualty insurers have been advised by Commissioner Garrison that California special schedule W is to be discontinued and the country-wide casualty insurance expense exhibit is to be completed instead. The latter, he observed, has the advantage of country-wide uniformity. A segregation of the expense experience on war-rated risks, which constituted one of the features of California schedule W, has become unnecessary. As a result, the reliability of the country-wide exhibit is enhanced.

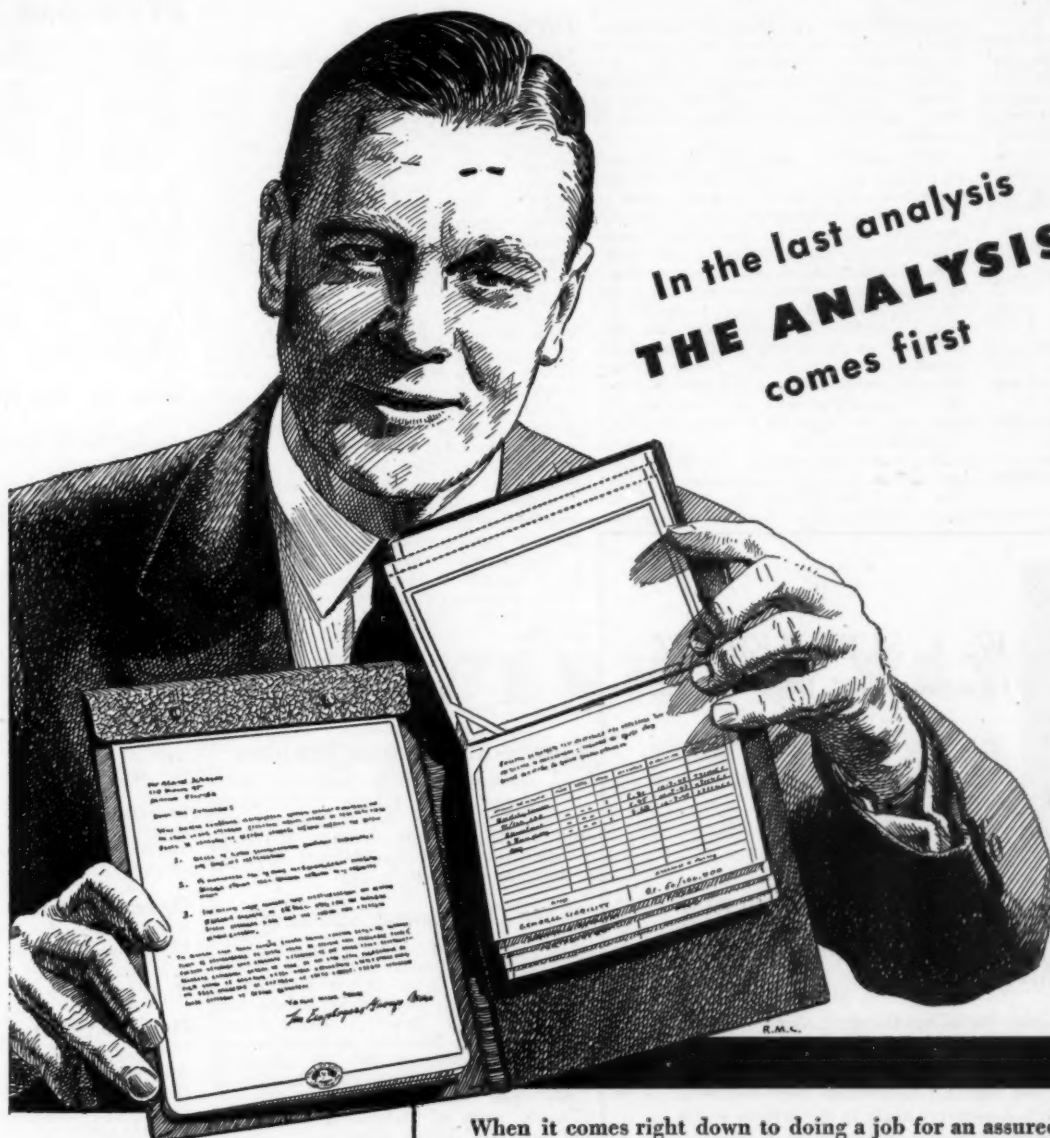
Aetna Salary Increases

The Aetna Life salary increases that have been put into effect consist of 15% on the first \$5,000 of salary and 5% on earnings in excess of that amount. These additions were incorporated into basic salary and then there will be a Christmas bonus of 5% of basic salary Dec. 1. However, the management announces that hereafter the bonus system will be discontinued.

SEC Reports Transactions

In the official summary of security transactions and holdings reported to the SEC for the period from Sept. 11 to Oct. 10, it is reported that U.S.F.&G. increased its stockholdings in Fidelity & Guaranty Fire by 3,271 shares, its total holdings now being 52,929; John C. Milliken purchased 50 shares of Fidelity-Phenix increasing his holdings to 131 shares; Henry F. Ogden bought 21 shares of U.S.F.&G. increasing his holdings to 125 shares.

The full dinner dance of the St. Louis court of *Cats Meow* will be held Nov. 23.



Our national advertising features the agent who stresses the analysis plan. At regular intervals in *The Saturday Evening Post*, *Time*, and *American Home*, you see strong, appealing, full-page ads that say *The Employers' Group Man is The Man with the Plan*.

With every ad appearing in *The Saturday Evening Post*, *Time*, and *American Home*, a new complete direct mail program is ready for your use... ready to help you sell more and better classes of business to more and better classes of prospects.



*It Pays to be
The Man with The Plan*



When it comes right down to doing a job for an assured... a real job, one that will cement your relations with your customer forever... nothing takes the place of the analysis by *The Man with the Plan*.

There you go at it in business-like fashion. You study a man's needs. You stack up his present protection against his needs. You show him how you can do a better job than anyone else in giving him *freedom from worry over financial loss*.

Try this method of selling insurance... with the help of our completely organized analysis department... and you'll be sure to get not only more business but *better* business from more and better-satisfied assured.

THE EMPLOYERS' GROUP

SURETYSHIP  INSURANCE

Fidelity, Surety — Fire, Inland Marine, Casualty, and Aircraft
THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.
THE EMPLOYERS' FIRE INSURANCE CO.
AMERICAN EMPLOYERS' INSURANCE CO.

ONE LIBERTY SQUARE, BOSTON 7, MASS.

ACCIDENT AND HEALTH

Name Committees of A. & H. Bureau

Ray L. Hills, secretary Great American Indemnity and chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters, has announced appointment of committee chairmen for the coming year. They are:

Regulatory Legislation—Logan Bidle, Aetna Life.
Manual Classifications—John F. Lydon, Ocean Accident.

Insurance Departments—Raymond A. Payne, Travelers.

Social Insurance—Alfred B. Hvale, Continental Casualty.

Statistical—Harry V. Williams, Hartford Accident.

Underwriting—Merle J. Thompson, Standard Accident.

Public Relations—Harry Prevost, United States Fidelity & Guaranty.

Aviation—Kimball C. Atwood, Jr., Preferred Accident.

Law—Millard Bartels, Travelers.

1947 Annual Meeting—Leland M. Willson, Century Indemnity.

Saginaw Hospital Withdraws from Mich. Blue Cross

Saginaw General Hospital has terminated its contract with Michigan Hospital Service (the Blue Cross plan).

That hospital, according to President Frank N. Andersen, will continue to honor cards of policyholders for seven months.

Mr. Andersen said that the decision was made after it was found to be impossible to bring about an adjustment in rates in line with present day hospital operating costs. He said that since April, 1945, when the Blue Cross liberalized services without a comparable adjustment in remittances to hospitals, Saginaw General has had to write off about \$50,000. This represents the difference, he declared, between reimbursements from M. H. S. and allowable additional charges to patients, and the hospital's own published rates charged those that do not have the Blue Cross ticket.

Mr. Andersen said that the Blue Cross has set up an inflexible rate structure that does not allow for marked in-

creased administrative and materials costs nor for the varying costs of hospital service within different areas of the state.

Several months ago 14 Michigan hospitals operated by the Sisters of Mercy withdrew from Blue Cross cooperation.

National A. & H. Is Issuing New Family Policy

The new family policy just put out by National Accident & Health of Philadelphia, complying with the family group statutes of Pennsylvania and New Jersey, is described by that company as catering to "insurance for the masses," and is attracting special interest in view of the agitation for state accident and health insurance. It is designed to provide essential coverage for all members of the family in one policy, and for one premium.

For the husband (ages 18-49) it provides \$5 per day hospitalization, limit 10 days; accident disability or confining illness, \$5 to \$20 per week, after first week, limit 10 weeks, with one-half non-confining for four weeks and funeral benefit of \$100. For the wife (18-45) it provides \$3 to \$5 per day hospitalization, limit 15 days, childbirth excluded, and funeral benefit of \$75. For each child (3 months to 17 years), the benefits include \$2.50 to \$4 per day hospitalization, limit 15 days, and funeral benefit of \$50.

The monthly premium for the husband for \$20 disability indemnity is \$3; wife, \$5 hospital indemnity, 95 cents; child, \$4 hospital, 55 cents. There is an enrollment fee of \$1 for husband or wife and 50 cents for each child. Husband and wife must be covered and if there are any eligible children, at least one must be covered.

Garneau Chicago Speaker

J. H. Garneau of the Hartford Accident home office, former National Association executive board member, will address the Chicago Accident & Health Assn. Nov. 21 at the Midland hotel on "Something About Selling."

More Oklahoma Speakers

Speakers at the sales congress of the Oklahoma Accident & Health Underwriters Assn. Nov. 22, in addition to those previously announced, will include E. F. Gregory, Business Men's Assurance, Denver, National association second vice-president; W. W. Jackson, vice-president of American Hospital & Life, San Antonio, and Dr. Howard Taylor, dean of Oklahoma College for Women, Chickasha, Okla.

J. Bryan Johnson, B.M.A., is chairman.

Siddons Newark President

NEWARK—The Accident & Health Underwriters Assn. of Newark at its annual meeting this week elected the slate of officers previously announced, headed by Herbert A. Siddons, Service Review, as president.

Charles J. Simons has been appointed chairman of the legislative committee and will be active at Trenton, when the legislature convenes in January.

Sales Forum at Wichita

The Wichita Assn. of Accident & Health Underwriters held a forum meeting on methods of selling accident and health by telephone, mail and personal calls. Margaret Teitze, Business Men's Assurance, gave a demonstration of telephone selling. President Virgil McVicker, Washington National, presided.

San Francisco A. & H. Course

About 30 are attending the first general accident and health insurance course being conducted in the San Francisco headquarters of the extension division of the University of California, which started Nov. 4. The classes are being instructed by O. J. Breidenbaugh and William Barr of the National Assn. of Accident & Health Underwriters.

CHANGES

Fireman's Fund Promotes Three

James F. Barron has been named assistant chief underwriter at the head office of Fireman's Fund Indemnity and Western National Indemnity. He has been assistant manager of the metropolitan department at San Francisco.

Mr. Barron will be associated with B. A. Sifford, Jr., who has also been named assistant chief underwriter and both will assist W. B. Evans, who continues as chief underwriter.

Walton J. Hunter has been appointed special agent at Oakland for Fireman's Fund Indemnity to assist Manager E. I. Hedemark. Mr. Hunter has been at San Francisco as counterman and underwriter for several years.

Now So. Pacific Department

The Hardware Mutuals of Stevens Point, Wis., have enlarged the Los Angeles office to a complete policy writing office, designated as the south Pacific department, under the management of George I. Margraf. Francis R. Strand of Stevens Point has been transferred to the north Pacific department at San Francisco, where a policy writing office is maintained for northern California and the branch offices at Portland, Ore., and Seattle.

Rowan Gets Hartford L. S.

A. R. Rowan & Co., Los Angeles local agency, has been named general agent for all of California by Hartford Live Stock and has opened a branch office at 260 Sacramento street, San Francisco, with Robert A. Hackett in charge, to serve the northern portion of the state. The Los Angeles office will handle the business for the southern section.

Open Green Bay Office

The Employers Mutuals of Wausau have opened a new office at Green Bay, Wis., in charge of Rey Challoner as resident manager.

Floyd Joins Mass. Bonding

Alfred T. Floyd, Jr., who was with American Surety at Baltimore before entering the navy, has joined Massachusetts Bonding in San Francisco as special agent covering the coast territory north and south of that city.

Sack Cincinnati Claims Head

CINCINNATI—J. A. Sack has been appointed claim manager here by American States. He succeeds C. R. Wirthlin, who has entered the independent adjusting field. Mr. Sack has a broad experience with claims, starting in 1924, and most recently as an adjuster for American Casualty at Indianapolis. He is a graduate of Xavier University.

Travelers Names Field Aids

Two appointments and four transfers of field assistants in the casualty, fidelity and surety lines are announced by Travelers.

William J. Vincent of Boston has been appointed at the Boston office and James L. Haile of Camden, S. C., has been appointed at Charlotte, N. C.

William A. Comerford has been transferred from Chicago to Peoria; Scott C. Dickson from Kansas City to Wichita and Elston K. Smith from Pittsburgh to Erie, Pa.

Harry C. McClellan, who has been supervisor of the county department of public welfare at Lincoln, Neb., has become district manager of Farmers Automobile Inter-Insurance Exchange.

Leaders in the field use the **Policy Analysis Service**. Write the Accident and Health Bulletins, 420 E. 4th St., Cincinnati 2, O.



W. A. SCHICKEDANZ
General Agent, Belleville, Ill.

Says:

"BITUMINOUS IS THE BEST AGENCY BUILDER WE KNOW OF!"

"For 15 years we have served as Bituminous General Agents. During this time, we have found that agencies placing Workmen's Compensation and General Liability exclusively with Bituminous grow much, much faster than others. The reason... Bituminous policies *renew and renew!* Bituminous excels from every angle in the field in which it specializes. No wonder Bituminous has written more Workmen's Compensation premiums in Illinois, its home state, than any other stock company for 11 consecutive years. Bituminous is the best AGENCY BUILDER we know of!"

Very sincerely yours,

W. A. SCHICKEDANZ AGENCY, INC.

(Signed) W. A. Schickedanz, Pres.-Gen. Mgr.

Bituminous is mighty proud to be regarded as a good "agency builder." For this is the result of the company's brand of service to its agents. Founded by agents... managed by former agents, Bituminous fully understands the agent's problems and his viewpoints. **BUILD WITH BITUMINOUS!**

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

ASSETS OVER \$15,000,000

SPECIALIZING IN: Workmen's Compensation... Comprehensive Liability... Public Liability... Property Damage... Comprehensive Personal Liability... and Automobile Liability.

COM

Improve "Comp" I

CLEVELAND—The Compensation Improvement Committee, a group of men's compensation experts, met in the office of Casualty, the industrial annual meeting of Public Health. Mr. Merri... directed to the man will... while disabled... care ava... return to his... Anything... on the ad... compensation... insurance co... profession, I

Hold Cal

A public h... in the Calif... tion manual... sioner Garri... 18. The C... Bureau com... of changes, ... put risks i... in place of ... ards.

Mo. "Com

Superinte... has called ... Nov. 25 on ... pensation r... to eliminat... cess of \$100... putation, f... provide for... compensation... age annual... Under t... whose aver... \$3,600 are ... benefits wh... Provision... higher inco... compensati...

Stricter Drivers

MILWA... ers in Wis... pass a me... to secure... censes arri... mended to... ture by the... ment, R. C... of that dep... Health Un... "It is no... ing people... found that... 1,385,000 p... in the sta... and menta... Mr. Salish... of the dr... reckless, c... Assertin... are killing... fast as dri... Mr. Salish... insurance... under 22

Seek W

SEATT... law, the... dustry o... the Wash... introduced... announced... Local 104... been spo... past.

COMPENSATION

Improve Administration of "Comp" Laws, Merrick Urges

CLEVELAND—The National Conference Committee on Workmen's Compensation recognizes the need for improvement in administration of workmen's compensation laws, Wayne Merrick, manager claims bureau of the Assn. of Casualty & Surety Executives, told the industrial hygiene section at the annual meeting here of the American Public Health Assn.

Mr. Merrick urged that work be directed to the end that the injured workman will be promptly compensated while disabled and receive the best medical care available in order that he may return to his job at the earliest date.

Anything short of that is a reflection on the administration of workmen's compensation laws, the compensation insurance companies and the medical profession, he said.

Hold Cal. Hearing Nov. 18

A public hearing on proposed changes in the California workmen's compensation manual will be held by Commissioner Garrison in San Francisco, Nov. 18. The California Inspection Rating Bureau committee has made a number of changes, particularly in an effort to put risks into a industry classification in place of the present occupation standards.

Mo. "Comp" Hearing Nov. 25

Superintendent Jackson of Missouri has called a hearing for Jefferson City Nov. 25 on general revision of the compensation rates, for revision of the rules to eliminate wages and salaries in excess of \$100 a week from premium computation, for revision of the rules to provide for the granting of voluntary compensation to employees whose average annual earnings exceed \$3,600.

Under the Missouri law employees whose average annual earnings exceed \$3,600 are entitled to no compensation benefits whatsoever.

Provisions excluding those in the higher income brackets from workmen's compensation benefits are contained in

Stricter Examinations for Drivers Proposed in Wis.

MILWAUKEE—All automobile drivers in Wisconsin would be required to pass a mental and physical examination to secure renewal of their drivers' licenses arrives under a bill to be recommended to the 1947 Wisconsin legislature by the state motor vehicle department, R. C. Salisbury, director of safety of that department, told the Accident & Health Underwriters of Milwaukee.

"It is not surprising that we are killing people on the highways when it is found that not more than 13% of the 1,385,000 persons licensed to drive cars in the state have qualified, physically and mentally, to drive an automobile," Mr. Salisbury said. He added that 15% of the drivers on the road today are reckless, careless or vicious.

Asserting that "16-year-old drivers are killing themselves off nine times as fast as drivers in the 45 to 50 age group," Mr. Salisbury said that "no reputable insurance firm should insure a driver under 22 years old."

Seek Wash. Boiler Law

SEATTLE—A state boiler inspection law, the type which the insurance industry opposed at past sessions of the Washington legislature, will be introduced at the coming session, it was announced by the Boilermakers Union, Local 104, Seattle. The same union has been sponsoring the legislation in the past.

a few other jurisdictions. For instance, in Hawaii, the exclusion applies to those getting more than \$100 per week; in North Dakota, executive officers of business concerns are excluded; in Rhode Island those getting \$3,000 a year get no compensation benefits and in Vermont, those getting \$2,000 and more are excluded.

New Vernon General Setup

INDIANAPOLIS — Theodore G. Harris has been elected president and J. M. Hogle, vice-president and general manager of Vernon General and its recently organized affiliate, Vernon Casualty & Reinsurance.

Mr. Hogle has been general manager and president of Vernon General since 1942. He will direct the financial and corporate affairs of the affiliated companies, which require additional executive attention because of increased size of operations.

Mr. Harris is an industrialist of Connersville, Ind.

Minn. "Comp." Hearing Nov. 18

ST. PAUL—The Minnesota compensation insurance board will hold a hearing Nov. 18 on the rating proposals of the rating bureau for 1947.

SURETY

Architects Need Education in Bonds

NEWARK—Too few architects are familiar with surety bonds and what they do for their clients, Charles H. Bauer, Jr., prominent Newark architect, said in a talk before the Surety Underwriters Assn. of New Jersey. Yet the architect is in a splendid position to influence the placement of a bond, Mr. Bauer added.

There is little or nothing on surety bonds in the courses taken by architects in schools or colleges, he said. Consequently, a good deal of missionary work needs to be done by surety men among architects.

He said that development of prefabricated housing is important because it seems to be the only way of producing low cost dwelling units so badly needed now and in the future. He praised the efforts of the government to stimulate production in this field. There may be many changes in design and in material, but the main thing is to secure something satisfactory at a reasonable

price. It is in this field that the surety people may have an opportunity to place bonds because such housing would be built on a mass or wholesale basis.

The rise of unions, he said, has increased the cost of the construction, and has been accompanied by the loss of hand work skill. The jerry building that appeared after the first world war is not so different from the veterans' housing of today.

Building costs rose from 13c to 60c per cubic foot during and after the first world war, dropped to 45c, and then leveled off at around 50c, Mr. Bauer said.

Most cities' building codes are out of date, he commented. However, this is being corrected to some extent by the setting up of building codes by the state. Cities then can adopt the code desired. One of the stumbling blocks has been that codes have to be advertised in full by the municipality, and this is costly. Where the state sets up several building codes, the municipality then can select one and advertise it by number.

Dewey V. Nelson of Home Indemnity was elected to membership. The nominating committee elected is Paul S. Parris, Fidelity & Deposit; Cliff Griffith, Travelers, and Ralph Hawkins, New Amsterdam Casualty. P. A. S. Rogers, U. S. F. & G., vice-president of the association, presided.

DEFERRED PAYMENT SALES COVERAGE

Consumer goods bought on the deferred payment sales plan must be insured. Sellers and lenders insist on it...buyers can't get away from it...and Transportation writes the most comprehensive contracts on the market today.

Three different plans to serve both seller and buyer. Low cost. No technicalities. Nothing involved to learn. Effective sales help...including personal assistance where necessary.

To get your share of this broad, profitable source of new income, ask for details today.

TRANSPORTATION INSURANCE COMPANY CHICAGO

Affiliated with and owned by

CONTINENTAL CASUALTY COMPANY

Mo. Insurer Must Assess

The Missouri department recently issued an order to Commercial Bankers Mutual Casualty of Kansas City, directing it to cease and desist underwriting operations, and to levy an assessment sufficient to meet its accrued liabilities. The assessment liability is limited to one additional annual premium. In addition to Missouri it operated in Colorado.

Commercial Bankers has been writing full coverage automobile insurance. In 1944 its premiums amounted to \$103,254 and losses were \$75,728 and its surplus was \$5,356. For 1945 it reported premiums, \$140,362 and losses \$62,122. E. O. Kunau is president and C. S. Dunn, secretary. It was organized in 1941.

Credit Men Hear Disbrow

The Nebraska Assn. of Cooperative Credit Assns. held its annual meeting at Lincoln, Nov. 11. H. A. Disbrow of American Surety, New York, talked on "Importance of Casualty and Surety Protection."

Examinations for Workers Urged

MILWAUKEE—Dr. A. W. Gray, internist, spoke on "The Value of Pre-employment and Health Examinations in Conjunction with Industrial Workers" before the Casualty Adjusters Assn. of Wisconsin.

Issues Aviation Bulletin

MILWAUKEE—Because of the interest in the field of aviation insurance, the Milwaukee County Board of Casualty & Surety Underwriters is devoting its current educational bulletin to this subject. The bulletin briefly describes public liability and property damage, hull coverage and personal accident coverages.

Century Indemnity has entered British Columbia, under the management of J. F. Parrott, who is in charge of Aetna Fire's Vancouver office.

PERSONALS

A. L. Wortmann, manager of Aetna Casualty at Milwaukee, has been elected president of the Tripoli Country Club.

Eugene Swift has won the silver cup championship golf trophy at Eagle Lodge, in a match with Richard Freeman, five up and four to go. Eagle Lodge is the recreation center for employees of North America. He is the first golf champion of the organization, which was formed this year. He is an underwriter in the A. & H. department.

Jack Rieke, son of E. H. Rieke, Chicago and Illinois state manager of Republic Indemnity, was graduated on Navy Day as the honor man of his company and has been appointed an apprentice chief petty officer. He enlisted in the navy Aug. 14 and was graduated at the age of 17.

L. D. Cavanaugh, president of Federal Life, underwent an abdominal operation in Mercy hospital, Chicago, Tuesday morning. He suffered discomfort while in Iowa over the weekend to attend a wedding and immediately upon his return an operation was ordered.

DEATHS

Mrs. Florence Jones, wife of L. A. Jones, assistant U. S. manager of Ocean Accident, died at Woodlawn Hospital in Chicago Sunday.

Mr. Jones went to New York from Chicago July 1 to take his new position as assistant U. S. manager to Ocean. Mrs. Jones remained in Chicago until they purchased a home at Scarsdale, N. Y. Then late in August they moved the furniture there and Mr. & Mrs. Jones drove east. They were in their new home only about eight days when Mrs. Jones became ill and returned to Chicago where she under-

went an operation at Woodlawn hospital. It was discovered that there was a malignant condition.

Funeral services were held at Chicago Tuesday and there will be final services and burial at Minneapolis Thursday.

It was Mrs. Jones that originally got Mr. Jones interested in the insurance business. She was employed in the claim department at Minneapolis Lloyds when she and Mr. Jones were engaged. He was a law school graduate and became interested in entering insurance claim work through his relationship with the future Mrs. Jones.

Gustavus Ober, Jr., 65, vice-president and a director of Fidelity & Deposit, died at Baltimore after a two-weeks illness.

Mr. Ober's responsibilities at F. & D. were in the administrative end of the business. His father was one of the organizers of F. & D. and was on its board for many years. He was born in Baltimore, graduated at Princeton and got his law degree from University of Maryland. He was originally with F. & D. from 1903 to 1905 but from then until 1936 he was in the chemical and fertilizer business, being at one time president of the National Assn. of Fertilizer Manufacturers. He continued during that period as a director and member of the executive committee of F. & D. He returned to full time connection with that company in 1936 as assistant to the president, and the next year was elected vice-president.

Kenneth A. Hales, 44, associate counsel in the claim department of U. S. Guaranty, died at his home in Yonkers. He was formerly with London Guarantee.

Mrs. E. Asbury Davis, wife of the president of U. S. F. & G., died at her home at Baltimore. She was long active in religious and social welfare work.

John F. Kearns, a casualty underwriter with Travelers, died of polio last week at a Hartford hospital.

Arizona Agents in Annual Rally

(CONTINUED FROM PAGE 10)

immediately at time of loss. Agents can be of help to an adjuster by prompt and accurate reporting of a loss and giving an adjuster all pertinent information.



C. B. LYLE

tion concerning the coverage and the assured himself. Mr. Lyle mentioned that knowing the peculiarities of an assured can be of great assistance. The agent knows his assured and can warn the adjuster of some personality trait that might slow down settlement.

Calling upon companies and agents to intensify efforts to enlighten the public on the many public service activities of the business, William P. Welsh,

Pasadena, Cal., vice-president of the National association, told the Arizona association that the time has arrived for a direct effort to safeguard the future and insure the continuing growth of the business.

Discuss W. C. Changes

Nathan Gordon, member of the Arkansas workmen's compensation commission and lieutenant-governor-elect, spoke on proposed changes in the Arkansas workmen's compensation act before the Arkansas Adjusters Assn. at its monthly meeting at Little Rock. Following his talk, an open forum discussion was held on the proposed changes.

Questioned Securities

NEW YORK—E. W. Donovan of Indemnity of North America discussed the problems of stock brokers and transfer agents arising from questioned securities at the Surety Company Claim Men's Forum here Wednesday.

Byron Clark, Jr., President

NEW YORK—Byron Clark, Jr., has been elected president and general manager of Interboro Mutual Indemnity to succeed the late F. E. Grant. H. C. Kirkwood, secretary and comptroller, was elected executive vice-president in addition to his other offices. D. S. Clark was advanced to vice-president and assistant general manager.

Correction as to St. Louis

On page 36 in the Oct. 24 edition the figures shown for St. Louis under the caption "How Big Cities Rank on Premiums" are incorrect in two instances.

Due to a typographical error the stock casualty figure for Dallas is repeated under St. Louis but is not included in the St. Louis total. Also, the St. Louis mutual casualty companies' total of \$265,205 is included in the stock casualty company figure and should have been shown separately.

A. F. SHAW & CO.

Incorporated

GENERAL AGENTS

Insurance

175 West Jackson Boulevard, Chicago 4

Telephone Wabash 1068

No Business Direct



NATIONAL SURETY CORPORATION

VINCENT CULLEN
President

Henry Moser Exhibits Undimmed Ardor for the Model Bills

(CONTINUED FROM PAGE 20)

chaos would result and non-regulated companies would be deprived of their rights by mere economic necessity. He said the big companies would take losses and be able to stand them in order to have rates low enough to drive the small ones out of business. It is immensely better, from the public's standpoint, to subject all to the same regulations and thus guarantee the solvency of all types of companies.

Guiding Principles

Mr. Moser said that among the guiding principles of the all-industry committee was the belief that regulation means regulation by companies and not by the government. The committee was determined to saddle insurance with as few regulations as necessary. However, there was the realization that regulation could not be of a sham or rubber stamp variety or it wouldn't be long before congress would step in.

"The all-industry committee was ever conscious of the need to preserve the balance between those who act in concert and independents and to leave competition as free as it could be and still allow the independents the benefit of collective statistical collaboration which is a necessary adjunct to stability."

Mr. Moser termed the model bills perfectly clear on the point of supporting information in that any insurer or bureau may use the experience of any other company or rate body as supporting information for its rates. Deviation on expenses and losses is allowed. He said the committee has made no attempt to put obstacles on deviations as long as they are on a reasonable basis. There is a clear provision which allows for hearings for minority companies within budgetary limits.

Justice Department Stand

Department of justice commentators have been very careful not to say the bill is too restrictive, but dwell at great length on the fact that competition should continue at any cost, veiling the suggestion that perhaps no form of rate regulation is necessary, he said. Their attitude is understandable when you realize that they are imbued with the anti-trust philosophy. They adroitly drop the suggestion that if you compile something they call "pure premiums" and add expenses and profits for each company, the situation can be solved. What they are advocating is a table of mortality for the fire and casualty business. This might be right from a point of law, but from a practical point of view, independents would lose their freedom altogether under such a proposal.

For such a system to work, all classifications, territories and policies would have to be the same, Mr. Moser pointed out. Who would set up the arbitrary standards that would insure the necessary uniformity? This unanswerable question makes this proposal appear merely as a fine legal theory, but a practical impossibility, he indicated.

He termed demands for deletion of the supporting information requirements from the bill as foolish, because every commissioner worth his salt will make this requirement regardless of whether it was called for formally or not. He said that admittedly the requirement for examination of filings is redundant, because each commissioner would surely require examination of filings anyway.

Supports Waiting Period

In answer to those who advocate deletion of the waiting period, he said that, in fairness to the public, it is not cricket to keep excess commissions until caught by the commissioners. He cited Virginia as a horrible example of what happens when there is no waiting period requirement. In that state companies are forced to issue checks for such grand sums as eight cents in return commissions, each check costing about \$2 to draw. If the waiting period is eliminated and rates have to be readjusted either way, it has a bad effect upon the policyholder, be-

cause it is an admission that the company doesn't know its business. No policyholder or agent takes kindly to a call for more money.

Mr. Moser hit equally hard the proposal that each carrier should have the right to meet the rate of any other carrier on the theory that a rate that is adequate for one is adequate for another. The whole philosophy of this is contrary to the Robinson-Patman act and the Illinois fair trade act which specifically forbid any sale at a price less than cost for competitive purposes. To endanger policyholders of a company which is determined to charge the same rate as another company despite the fact that this rate is totally inadequate, "just doesn't add up."

At this point, the speaker took a jab at the theory which Mr. Kadyk had advanced earlier that, left alone, no company will squander its assets by charging inadequate premiums. He termed this wishful thinking and pointed to the many serious rate wars as adequate refutation of this naive theory.

Referring to the quotation which Mr. Kadyk had read from Risk Research In-

stitute, Mr. Moser said that it took a great stretch of the imagination to picture the institute as representative of the buying public. He said that he shed no tears for the average home owner because of the institute's feeling toward the all-industry bill, because that body represents only the giant risks who naturally want the continuance of their freedom to shop around for their coverage and to get considerable reductions by sharp dealings. When the bill was being drawn up, Risk Research Institute was invited to participate and make suggestions, but instead they declined to take any part in the proceedings, contenting themselves to join the ranks of the other post-bill snipers, he said.

SMITH'S PROJECT

True representatives of the public who contributed much of the language in the bills are the commissioners with whom the committee met constantly, Mr. Moser declared.

Assigned the project of relating the

federal trade commission, Robinson-Patman and Clayton acts to insurance, Mr. Smith said that the FTC will be a threat to insurance no matter what pattern is adopted, but that for practical purposes, if states adopt adequate laws against unfair practices, the commission will probably not feel obligated to step in except in a bad situation. Mr. Smith said there should be on the legislative agenda of every state a proposal which would make unnecessary any interest by FTC in unfair practices. Such legislation would arm the states with enforcement powers as well as powers of prohibition. Mr. Smith characterized the Robinson-Patman act as principally an amendment to the Clayton act which in turn is a supplement to the Sherman act. It prohibits discrimination in prices to eliminate or handicap competition. No one can say that the Robinson-Patman act refers to insurance on the ground that insurance is a good, ware or commodity, he said. Judicial weight is against definition of insurance as such. Payment of commission by buyers to seller is prohibited by the act and state brokerage laws are going to have to be revised to permit the existence of brokers, he said.

If the anti-discriminatory provisions of the Robinson-Patman act are applied to

(CONTINUED ON PAGE 29)

"He who whispers down a well
About the things he has to sell
Will never reap the golden dollars
As he who shows them round and hollers"
—OLD PROVERB

To assist you in merchandising your coverages to the people in your community, Standard of Detroit Group offers a variety of effective advertising and selling aids. This material includes sales-creating folders, blotters, sales letters, mailing cards, as well as attention-getting window posters, newspaper mats, advertising signs, and other resultful promotion materials for your personal presentations. Your Standard field man can supply you with a catalog of these practical advertising and sales helps—or write the home office, Detroit 32, Michigan.

STANDARD OF DETROIT GROUP

Standard Accident Insurance Company • Detroit

Planet Insurance Company • Detroit

Pilot Insurance Company • Toronto

FIRE • MARINE • CASUALTY • SURETY

WANT ADS

WANTED

Los Angeles Casualty Insurance Company has excellent openings for experienced payroll auditors and claims adjusters. Good starting salaries, a permanent substantial future, and an automobile together with expense account are offered in connection with these openings. In reply please state qualifications and furnish business references. NATIONAL AUTOMOBILE AND CASUALTY INSURANCE COMPANY, 724 So. Spring Street, Los Angeles 55, California.

EXPERIENCED BOOKKEEPING CASHIER
WANTED

Present cashier retiring because of ill health after 16 years of service. Excellent opportunity for experienced and capable department head. Massachusetts Bonding & Insurance Company, 1919 Insurance Exchange Building, Call Mr. Morrissey for details.

WANTED

Casualty Special Agent for Indiana, well versed in Casualty, Compensation, Burglary, etc. Excellent opportunity for qualified representative in a growing organization. State age, experience and location of residence. Address J-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Fidelity and surety underwriter and producer to open department in Chicago branch office. Excellent opportunity. All replies strictly confidential. American Indemnity Company, 175 W. Jackson Blvd., Chicago, Illinois.

WANTED

Combination bond and burglary underwriter for home office of large midwestern company. Home office experience preferred. Excellent opportunity. Write giving full details. Address J-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Compensation and Liability underwriter. Splendid opportunity for experienced underwriter in home office of large Chicago Casualty company. Address H-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large midwestern mutual casualty company wants special agent with combination accident, health and group experience for midwest, eastern and western territories. Excellent opportunity for aggressive man. Address J-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY ACCOUNTANT

Excellent opening for a young casualty accountant, trained and ready to assume management of accounting department. Moderately small but fast growing Indiana company. This is no ordinary opportunity! Give full details. Address J-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY UNDERWRITER

Somewhere there is a young underwriter well trained in auto and general casualty who is ready for promotion. We want that man to head our underwriting department. We are comparatively small (a million in premiums) but growing rapidly. Excellent opportunity in Indiana. State full details. Address J-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

COMMISSIONERS UNVEIL NEW A. & H. REGULATION BILL

(CONTINUED FROM PAGE 10)

shares in any common-law corporation, or securities or any special or advisory board or other contracts of any kind promising returns and profits as an inducement to insurance.

A. & H. FEATURE

Certain conditions in the A. & H. business have been a source of grave concern to the commissioners, according to the release. For years many states have passed upon A. & H. forms used. It has been suggested, however, that supervision of forms is not enough and that rates should likewise be supervised, possibly under the ordinary rate regulatory bill. While the committee recognized that this is a possible solution, the complexities of the business and the fact that it is transacted by different types of insurers induced the committee to consider first the merits of a separate approach.

The committee agreed that legislation should be enacted prescribing standards not only for the forms but for the premiums because there is a direct relationship between the coverage and the premium charged. The problem is further complicated because certain companies act in concert and desire to continue that procedure. If these companies are to continue these activities, the committee recognizes that legislation is necessary in this respect.

Standard for Forms and Premiums

The proposal to which the committee gave particular attention provides that no policy can be issued unless forms, applications, endorsements, classifications of risks and premium charges therefor are filed. It contains standards for both the forms and the premiums. The premiums shall not be excessive, inadequate or unfairly discriminatory. The forms shall not be unjust, unfair, inequitable, misleading, contrary to law or to the public policy of the state.

The commissioner is empowered, following notice and hearing, to prevent any company from using any policy form if he finds that it does not meet the standards. It also empowers the commissioner to call for statistical information to enable him to determine whether the standards have been met. It authorizes concert of action and subjects company organizations to the same supervisory processes substantially contained in the model rate regulatory bills in so far as licensing, examination, admission to membership, etc., are concerned.

This proposal does not require affirmative approval in advance of forms and rates.

"This proposal," the release states, "imposes no burdensome administrative details for dealing with policy contracts which on their face are fair and reasonable; on the other hand, it does provide police power to deal with those policies where, because of inadequacy of coverage or excessiveness of rate, or both, the result is unconscionable and not in the public interest. The practice of approving policy forms in advance is widespread and the optional character of the language employed would enable a commissioner to adhere to this program under this bill; in short, the bill does not preclude that practice.

The N.A.I.C. committees voted to accept the all-industry reports on the Robinson-Patman act and voiced the belief that the suggested legislative procedure provided an adequate and satisfactory method of dealing with that act on a state level and the committee recommends for use in the states the proposals therein contained.

The recommendations are for the enactment in each state of rating laws

that meet the requirements of public law 15; the enactment in each state—either as an integral part of the rating law or independently—of statutes prohibiting unfair rate discriminations and prohibiting rebates; in the absence of a statutory regulation of rates, the insurer affected, for protection against the impact of the Robinson-Patman act, must rely exclusively upon state laws prohibiting discrimination and rebates. In such case the recommendation is the enactment, if it is possible, of necessary exceptions to the discrimination and rebating statutes to enable the insurer to operate effectively.

Also, the enactment in each state of statutes recognizing insurance brokers and delineating their rights and duties, specifically authorizing the payment of commissions to licensed brokers and specifying the conditions under which brokerage may be paid to out-of-state brokers.

In view of the fact that the applicability of the Robinson-Patman act to insurance is uncertain and because the intent of Congress, as expressed in public law 15, is by no means clear, the recommendation is that the applicability of the Robinson-Patman act be included in any discussion that may be held with the insurance subcommittees appointed by the Senate judiciary committee and by the House judiciary committee.

What Might Be Questioned

Practices that might be questioned under paragraph 2(a) or under section 3 of Robinson-Patman are:

- Charging varying rates by size of risk.
- Retrospective rating available to risks of certain size.
- Graduated expense by size of risk.
- Fleet rates available to risks covering a specified number of cars.
- Expense constants applied to risks of certain size.
- Loss constants applied to risks of certain size.
- Experience rating and other adjustments by size of risk.
- Policy forms (comprehensive) re-

stricted to risks of certain size. —Minimum premium by size of risk. —"Equity" (competitive) rating.

These practices might be questioned under Paragraph 2(a) or under Section 3 of Robinson-Patman. Additional activities might be questioned under Section 3. For example: (1) territorial classifications, (2) general reductions in rates by territory, (3) differences in rates between states when considered in the light of the fact that the Robinson-Patman act applies on a national level.

Basic Question Is Stated

Under section 2(a) the basic question which must first be passed upon is whether in fact a discrimination exists. On this point retrospective rating may be cited as an illustration. Assuming that retrospective rating is available to risks where the premium is \$1,000 or more, it may be argued that such a plan does discriminate against a risk with a premium of \$990 in favor of a risk with a premium of \$1,010. If discrimination is present, the burden of defending the discriminatory practice is on the accused and the defense may be either that the effect of the retrospective rating plan cannot be to substantially lessen competition or to tend to the creation of monopoly, or that due allowance for cost of manufacture, sale or delivery resulting from differing methods or quantities has been made in the plan. A further defense (contained in section 2(b)) is that the price was set in good faith to meet that of a competitor.

CONFERENCE HITS NEW BILL

The accident and health bill that was released this week by the commissioners committee apparently took the industry by surprise. Harold R. Gordon, managing director of the Health & Accident Underwriters Conference, said that organization will oppose the new measure because it provides for compulsory rate regulation, which the conference still regards as neither feasible nor desirable. It maintains its original position as favoring freedom of competition in the accident and health field.

TIPS ON COVERAGE AND CLAIMS

(CONTINUED FROM PAGE 14)

which have not yet been incurred. These charges consist of labor which is to be performed for manufacture, for example, of a garment out of piece goods. If the merchandise is damaged or lost in the early stages of the work, then the company is not liable for the portion of the labor which has not yet been accomplished, or for the trucking or other charges which would have been incurred if the garment had been completed. Actually, this clause insures the profit which the merchant would have made if the article insured had actually been completed.

What is the meaning of proximate cause and how does it relate to strikes and riots insurance?

When merchandise is damaged in transit by more than one cause, in a case where it is insured only against certain named perils, the insurance company attempts to ascertain the nearest or proximate cause of the loss.

As it applies to strikes and riots insurance, we would say that a class of merchandise such as food stuffs, which might be held up in transit by reason of a strike, the underwriters would maintain that the spoiling of merchandise would be due to delay, rather than by strike and they would, therefore, be apt to deny liability for any loss which might be attributable to delay.

As a matter of fact, however, practically all strike and riot clauses which are at present written by insurance com-

panies, only cover actual damage by strikes and exclude any risk of delay or loss of market.

What is condemnation or rejection insurance?

Rejection or condemnation insurance is generally written only by London Lloyds, and its purpose is to protect an importer in the event that the Department of Agriculture does not permit the final entry of the merchandise in to this country. Usually, the contract of sale between the shipper abroad and the consignee in this country requires that the original shipper will guarantee to make a second shipment in the event that the original shipment is not passed by the department of agriculture. However a shipper on the other side, not being familiar with the requirements of the department of agriculture in this country, may not undertake a guarantee to make a second shipment, and

WORKMEN'S COMPENSATION
PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only.

TEXAS INDEMNITY INSURANCE CO.
P. O. Box 1259
Galveston, Texas

then, application is generally made to the London market for rejection or condemnation coverage. However, if the shipper abroad is of good reputation and in good financial standing, a limited form of rejection insurance is available in this country.

What is protection and indemnity insurance?

Actually this form of coverage furnishes protection for public liability and property damage coverage in connection with a yacht.

The liability of the assured under maritime law is usually limited to the

value of the boat insured so that on a yacht with a \$5,000 valuation, the assured would normally only carry 5000/5000 limits.

But there are exceptions.

A latent defect in a boat, of which the assured was aware, brought about an explosion.

A greater award than the value of the hull was allowed by the courts.

This form of insurance excludes coverage of harbor workers' compensation, and if an assured employs a captain or crew, or if he is having alterations or repairs made to his boat, compensation insurance must be placed separately.

NEW MEX. AGENTS HOLD CONCLAVE

(CONTINUED FROM PAGE 17)

ings and for companies not belonging to bureaus to file their own rates.

E. C. Stone, U. S. manager of Employers Liability, gave the same talk in opposition to the all-industry proposals that he had given the previous day at the annual meeting of the Arizona Assn. of Insurance Agents at Douglas.

At one point in his talk, Mr. Stone referred to the statement in the recent "Saturday Evening Post" article regarding the Liberty Mutual "stores" reading: "Adding up its experience leaves Liberty Mutual to believe that the heyday of the ubiquitous personal insurance solicitor, the persistent Pete of the business is at least waning and possibly nearly over."

Mr. Stone declared that if the competitive advantages given to the direct writing mutuals are to continue this statement may indeed be true. Liberty Mutual for 10 consecutive years has been the leading workmen's compensation writer and he declared that it has obtained that place almost entirely due to the competitive advantage given to it under prior rate approval and subsequent disapproval laws. "If this same

competitive advantage is to apply to other lines of business, may not the same results come about?" he asked.

Mr. Stone gave heed to the arguments of those opposing his position who say that he is in reality advocating a plan whereby big companies could offer loss leaders and undersell competitors in an endeavor to control the market. He declared that his plan does not contemplate underselling, but merely permitting the stock non-participating carrier to equal the price of the participating insurer. As a matter of fact, usually the non-participating insurer does not need, in order to equal the participating insurer's net rate, to quote a price equal to that rate which is below cost for the non-participating company.

Mr. Stone was alluding to his proposal that any solvent insurer may use the rate which has been approved for any other insurer and the net rate of that other insurer if it is a participating company.

Mr. Stone quoted the criticism of that plan by Superintendent Dineen who charged that unfair discrimination would result because risks that are not

Ill. Lawyers Debate the Bills

(CONTINUED FROM PAGE 27)

insurance at all, it gives the industry a new slant on rates, Mr. Smith declared. Up until now rates have been promulgated by states and the Robinson-Patman act requires all rates to be justified interstate. Thus, if the act applies to insurance, state rate practices would violate it.

The Clayton act prohibits tie-in sales which are made with the reservation that the buyer will not buy from any other company. This could be conceivably extended to the relation between company and agent as well as between company and customer. It was the speaker's opinion that no court would apply the act to the relationship between agent and company and he didn't think that where a company is forced to require a good line from a customer in order to take the risk on a bad line that this would apply either. The only danger lies in cases where the rules are clearly made to freeze out competition.

He said the committee had arrived at no solution for cases where insurance companies buy out the stock of other companies and thus run up against the

in competition would be required to pay one rate and those that are in current competition would get a lower price.

Mr. Stone said that the rate that would be used would be one that had been approved as "not unfairly discriminatory" for the other company. Hence, he said, "It is rather difficult to see how it is going to be unfairly discriminatory when the solvent carrier asks to have the same rate approved for it or to be in the position of competing with the direct writing mutual which has the competitive advantage of the not approved or disapproved dividend."

Clayton act prohibition against such an exchange where the effect is to lessen competition. He said insurance may be vulnerable even though the single agency rule has made it necessary for a large number of companies to build up fleets of captive companies. The act contains no prohibition against buying a competitor where the company purchased is absorbed by the buyer. The usual insurance practice of letting alone the purchased company for a time except for giving it new management may be outlawed.

Likewise no safeguard has been discovered against the prohibition in the law of interlocking or cross directorships which are so common in the insurance industry.

PARKINSON'S POINTS

Director Parkinson said that, though he did not want to appear to have closed his mind against any other solutions, time was growing so short in Illinois that the all-industry bills must be the starting point for any legislation, because there are no concrete proposals from any other side. The all-industry committee had time to hear all sides and treat each one of the infinitesimal problems involved whereas the Illinois interim commission has neither the time nor the facilities to go through the whole matter again.

The director declared that all segments had the opportunity to make themselves heard before the commissioners and the all-industry committee. "The work of the committee and the commissioners involved 56 days of hearings alone," he said, "and such prodigious work could not be cast aside lightly. The bills were put together painstakingly, word by word, piece by piece," he said, "and those who are currently opposing the remarkably successful compromises are merely restating objections which were taken up in the course of deliberations, offering no new suggestions or no new proposals."

THE REASON WHY
THE WESTERN SURETY COMPANY IS REPRESENTED IN THE BEST AGENCIES EVERYWHERE

is

THE SAME REASON WHY
You SHOULD ALSO REPRESENT US

WESTERN SURETY COMPANY

Western Surety Bldg.
Sioux Falls, S. Dakota

21 W. 10th Street
Kansas City 6, Mo.

175 W. Jackson Blvd.
Chicago 4, Illinois

"One of America's Oldest Surety Companies"

Agents are invited to write for samples of the order blanks developed as part of our program of success through helping agents to succeed.



INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minnesota Officials Review Rating Bills, Association Work

MINNEAPOLIS—The model rating bills were given a going over at a closed conference here of officers, executive committee members, regional and standing committee chairman of the Minnesota Assn. of Insurance Agents. Commissioner Johnson was called in to give a detailed explanation of the bills and there was frank discussion of the provisions by agents present.

The conference lasted all of one day and the executive committee remained over the following day for consideration of association matters. Membership and educational activities were gone into fully with the idea of making the state and regional associations more useful to members. Richard A. Thompson, Minneapolis, state national director, stressed the importance of association work; Arthur Hirman, Rochester, past president, told how regional associations can function to better advantage; Frank Preston, Minneapolis, former executive secretary, explained the work of committees; Armand Harris, St. Paul, past president, covered legislation, and George W. Blomgren, executive secretary, told of the work of his office.

Roy Engberg, St. Paul, and Howard Williams, Mankato, both past presidents, led a general discussion period on association problems. George A. Thompson, Minneapolis, state president, presided.

Wis. Executive Committee Appointments Announced

MILWAUKEE—John H. Carney, Eau Claire, president Wisconsin Assn. of Insurance Agents, and Ben F. Fronk, Manitowoc, chairman of the executive committee, have announced the appointments to the executive committee of Claude Mayer, Menasha; Arthur Setz, Waterloo; Chester Uehling, Beloit, and J. Walter Strong, Elkhorn. Elected members of the committee, in addition to Messrs. Carney and Fronk, are: John S. Rowland, Racine, state national director; R. C. Pittelkow, Milwaukee; Charles Manson, Wausau, and Henry H. Bush, Madison, vice-presidents, and Alvin Veitenhaus, Milwaukee, secretary.

tary-treasurer. Committee appointments will be announced shortly.

Urban Krier, executive director of the Wisconsin association, is scheduling a number of meetings in the state at which he and some other state officers will address local agents on organization work. A dinner meeting was held in Monroe, Wis., Nov. 2 with Robert E. Zuercher of Zuercher & Zuercher as local chairman, to revive the Green County Assn. of Insurance Agents. Other meetings will be held at Waukesha, Superior, Marinette and La Crosse.

Confer on Kan. Legislation

WICHITA—A joint conference of the legislative committees and officers of the Wichita Assn. of Accident & Health Underwriters, Wichita Life Underwriters Assn. and the Wichita Assn. of Insurance Agents was held to consider possible revision of Kansas insurance laws that might affect accident and health and other lines of insurance. W. T. Grant, chairman of Business Men's Assurance, was in attendance. It is the purpose of the joint groups to direct any changes along lines recommended and approved by their National associations.

Rauh Agency Is Feted

Great American gave a dinner at Cincinnati to members of the firm and their wives of the Frederick E. Rauh agency on the occasion of the 70th anniversary of its representation of Great American. This is one of the oldest agencies of that company and it is a third generation institution.

The western department was represented by Carl Ingram, secretary, and W. E. Newcomb, executive assistant. Presentation was made of an oil painting of the Pike Opera House fire at Cincinnati in 1866. This is believed to be the largest conflagration in the history of Cincinnati and it occurred near the original office of the Rauh agency. It was made from a print that appeared in Harper's Weekly in March of 1866.

Federation Leaders Meet

MINNEAPOLIS—The executive and finance committees of the Insurance Federation of Minnesota met here to chart a program for the coming year. Leading the discussions were President C. F. Liscomb, Duluth; L. C. McGee, Aetna Casualty, Minneapolis; Roy Nienhauser, president R. M. Neely Co., St. Paul, and Clyde B. Helm, federation secretary.

To Widen Marshal's Work

COLUMBUS—The Ohio fire marshal's program planning committee has named a legislative subcommittee composed of Senator T. M. Gray, secretary Ohio Assn. of Insurance Agents; Ed Bath, Joseph E. Fichter, Jack Marsh, Joseph Thomas and Clyde Wallingford, representing non-insurance groups interested in fire prevention work. The committee urges the appointment of an assistant attorney general to be assigned to the fire marshal's office; that an arson bureau be set up in the fire marshal's division, with a trained investigator at its head; an inspection bureau with a chief inspector and at least 24 assistants, and bureau of fire prevention with a director, to promote rural and urban fire protection and fire prevention.

Wichita Bond Issue Loses

WICHITA—The proposed bond issue of more than \$200,000 for added fire

protection that would include a new training school and sites for new engine houses and equipment was among six of the eight Wichita bond issues which were defeated at the election last week. It is proposed that the issue will be submitted to the voters again next spring.

Minn. Mid-year March 27-28

The 1947 mid-year meeting of the Minnesota Assn. of Insurance Agents will be held at the St. Paul hotel, St. Paul, March 27-28.

Set Wichita Christmas Party

WICHITA—The Wichita Assn. of Insurance Agents will hold its Christmas party Dec. 19. Officers and executive committee members of the Kansas Assn. of Insurance Agents, who will be in Wichita for the executive committee meeting, will be among the guests and Wichita agents will meet for the first time the new Kansas association executive manager, Alpha H. Kenna. Other guests will include Wichita public officials whose insurance is supervised by the Wichita association, including city, county, board of education, regents of the University of Wichita, Y. W. C. A. and some government officials.

Patrolman C. C. Benefiel of the Wichita police department spoke at this week's meeting on burglary and crime prevention work of the police department.

More Mo. Committee Chairmen

ST. LOUIS—L. H. Trout, president of Missouri Assn. of Insurance Agents, has announced additional committee chairmen: Fire prevention, John J. O'Toole; publicity and education, John Wightman, Jr.; rules and forms, L. E. Bright, all of St. Louis.

The Insurance Women of Cleveland are giving a dance Nov. 23 to raise funds to help the organization of "Possibilities Unlimited." The funds will be used to furnish club rooms and for other needs.

PACIFIC COAST AND MOUNTAIN

Many Anti-Insurance Legislators Lose in Wash.

SEATTLE—Results of the election as to the complexion of the Washington legislature surprised even the most hopeful elements interested in sound legislation for business and industry. The Republican landslide swept out of office the most radical elements in the legislature, all of whom have been vocal in past sessions in advocating various types of state insurance scheme. Most noteworthy was a sharp shift to the right in what has been extreme radical representation in King county, the largest county in the state.

William J. Pennock, strong advocate of state accident and health insurance, was ousted from his house seat as were other anti-business legislators, including Dr. J. R. Binyon, who had a consistent record of voting against insurance even though he headed the senate insurance committee.

Throughout the state the same trend was evident. At Tacoma, Edward Petrus, vocal pension-union spokesman, was turned out. All insurance agents running for reelection were victorious. Arthur H. Bassett, A. B. Comfort and Z. A. Vane, all of Tacoma, were returned to the house. Arthur S. Cory, local agent from Chehalis, also was reelected, as was Robert M. Ford, Bremerton agent.

In addition to considering the new insurance code, which Commissioner Sullivan is now completing, the 1947 legislature will have before it a variety of insurance measures, including the model financial responsibility law and at least two state insurance fund proposals, one in the sickness and disability line and the other a liability and property damage measure.

Cal. Legislative Conferences

SAN FRANCISCO—Commissioner Garrison has announced that the pre-legislature conferences on proposed insurance legislation will start here Nov. 20. He asks that all those interested in present proposed bills should file such proposals with the department not later than Nov. 18 and also tells the sponsors that the department will be unable to make reproductions of the various measures for general distribution, except those bills sponsored by the department itself. Therefore, he says all sponsors should prepare their own extra copies for general distribution at the conferences, which will continue through December.

Oregon Agents to Hold 1947 Meeting at Eugene

Officers of the Oregon Association of Insurance Agents have announced that the 1947 convention will be held at Eugene. The date will be decided later and will be fixed to enable a National association representative to appear at the Oregon as well as the Washington convention.

Portland Insurance Course

PORTLAND, ORE.—The Portland Assn. of Insurance Agents is sponsoring two-year insurance courses for G. I. trainees as well as others interested in the work. The school, which got under way Nov. 12, has been approved by the state vocational training division.

There are three types of courses, for salesmen, underwriters and adjusters. In addition to all of the property lines, accident and health, boiler and machinery and ocean marine are optional subjects.

Bryant to Coast Post

Donald G. Bryant, for 17 years with General Reinsurance and North Star at the home office, has become assistant secretary in San Francisco, assisting Vice-president Robert Crofton.

Pacific Board Meets

SAN FRANCISCO—The semi-annual meeting of the Pacific Board was held at Orinda Country Club, Nov. 8. Principal business was the presentation of committee reports and that of the executive committee.

McMonigle's Recommendations

BOISE, IDA.—Insurance Director McMonigle has recommended that the department "should be out of politics" and urged establishment of the merit system in qualifying technical and administrative personnel. The state fire marshal, who would also be state insurance director, should be appointed, he said.

May Have Utah Fire Marshal

SALT LAKE CITY—A bill tentatively drafted and to be presented at the next session of the Utah legislature which convenes Jan. 13, provides for creating the office of state fire marshal, and also for a fire prevention board, under direction of which the fire marshal would operate. The post would be ap-

FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property. Thirty-five years of factual appraisal service to America's more conservative business institutions.

The Lloyd-Thomson Co.

APPRAISAL ENGINEERS
EXECUTIVE OFFICES
CHICAGO 40

CHASE CONOVER & CO.

Auditors & Accountants

135 So. La Salle Street
Chicago

Telephone Franklin 3868

positive, by the approval by the six years at a time. The measure executive committee of the Assn. of Insurance men fire prevention, legislative committee, J. H. Roberts, and assistant chief Board, the Utah State legislative committee.

Adjusting F

The independent Lowell G. M. Ana, Cal., Barr Adjuster San Bernardino

N. C. W Loss E

The insurance over \$100,000 destroyed the grocery war at Ahoskie, household goods house was of Grocery Co. Basnight.

The fire broke where the p and this crashed about arrived.

Insurance porting bas more than to this local James C. O. justment of ance on this

Va. Agents at Roanoke Plan New

RICHMOND of the Virginia Agents will Roanoke, place was factors at a meeting.

Past presentation are given of setting of an ment of an bers for m standing c plan under known as and would worth Men association. award is V a past pre and Virgin sent him a term as sociation.

Ark. Ag Premium

LITTLE sioner Mc censes of Ark., local ever solici Arkansas. plaints tha miums bu return mo Principa was Geor ney, repre wal, who son collec premiums the compa

pointive, by the governor subject to approval by the senate, for a tenure of six years at an annual salary of \$4,500. The measure is backed by S. T. Hunter, executive committee member of Utah Assn. of Insurance Agents and chairmen fire prevention committee; F. B. Goeltz, executive committee member and legislative chairman state association; J. H. Roberts and H. S. Morr, secretary and assistant secretary, respectively, Pacific Board; A. D. White, representing the Utah State Firemen's Assn. and its legislative chairman.

Adjusting Firms Merge

The independent adjusting firm of Lowell G. McLean & Associates, Santa Ana, Cal., has consolidated with the Barr Adjustment Co. of Los Angeles, San Bernardino and Las Vegas, Nev.

Mr. McLean will be in charge of the new Barr office at Santa Ana, handling fire, inland marine and cargo losses. E. L. Fitzgerald, an adjuster of more than 20 years experience, is in charge of casualty claims at Santa Ana. The Barr firm has added a department for fire losses in charge of J. L. Rhule.

Los Angeles Brokers to Meet

LOS ANGELES — The Insurance Brokers Exchange of California, Los Angeles district, will meet Nov. 14 to make nominations for the district executive committee. President Harvey Kindt of San Francisco will be present. The committee will choose its chairman.

The Nettle L. Weaver agency, Newcastle, Wyo., has been purchased by Reuben Hurr of the First State Bank of Newcastle.

IN THE SOUTHERN STATES

N. C. Warehouse Loss Exceeds \$100,000

The insurers sustained a loss of well over \$100,000 when fire completely destroyed the three-story brick wholesale grocery warehouse and office building at Ahoskie, N. C. The foodstuff and household goods stored in the warehouse was owned by the Barnes-Sawyer Grocery Co. and the building by W. H. Basnight.

The fire broke out on the third floor where the paint was stored. The second and third floors both were packed with merchandise. Floors and walls crashed about two hours after firemen arrived.

Insurance on contents is on a reporting basis, and there was slightly more than a \$100,000 limit applicable to this location. H. H. Moore of the James C. Greene Co. is handling adjustment of the majority of the insurance on this line.

Va. Agents' 1947 Meeting at Roanoke June 26-28: Plan New President's Award

RICHMOND—The 1947 convention of the Virginia Assn. of Insurance Agents will be at the Hotel Roanoke, Roanoke, June 26-28. The time and place was fixed by the board of directors at a meeting in Lynchburg.

Past presidents of the Virginia association are giving consideration to the idea of setting up a fund for the establishment of an award to be presented members for meritorious service of an outstanding character. According to the plan under consideration, it would be known as the past presidents award and would be modeled after the Woodworth Memorial award of the National association. One of the recipients of this award is W. Owen Wilson, Richmond, a past president of both the National and Virginia associations. It was presented him in 1939 after he had finished a term as president of the National association.

Ark. Agent Fails to Remit Premiums; Loses License

LITTLE ROCK, ARK.—Commissioner McKenzie has cancelled the licenses of J. E. Johnson, Blytheville, Ark., local agent, prohibiting him from ever soliciting insurance of any type in Arkansas. The action came after complaints that Johnson had collected premiums but failed to deliver policies or return money collected.

Principal witness against Johnson was George Barham, Blytheville attorney, representing American Fire & Casualty, who presented evidence that Johnson collected several hundred dollars in premiums but failed or refused to pay the company the net. Only after an em-

bezzlement warrant had been issued was the company able to collect \$392 due.

E. R. Keller, president Southern Farmers Mutual, Conway, Ark., said Johnson had issued policies with premiums totaling about \$1,000 and never remitted any of the premiums collected.

Johnson admitted that he failed to remit part of the premiums collected. He ascribed it, however, to the fact that he was not apt in book and record keeping. He offered to refund to those persons from whom he had accepted money received on presentation of receipts.

Agents Tenn. Legislators

Perry Pipkin of the A. E. Pipkin & Son agency, Memphis, was elected to the Tennessee legislature for a second term last week. In the last session Mr. Pipkin headed the insurance committee. Dayton G. Phillips, local agent, will represent Chattanooga and Hamilton county in the assembly.

Sapp to F.C.A.B. Post in S. C.

Fire Companies Adjustment Bureau has stationed a resident adjuster in Spartanburg, S. C., operating under the jurisdiction of the Greenville, S. C. office. Newell W. Sapp is resident adjuster. He has been with the bureau for many years and was senior adjuster in Bluefield, W. Va., prior to this change.

Plan Richmond Insurance Club

RICHMOND—Members of the Insurance Exchange of Richmond, Stock Fire Insurance Field Club of Virginia and Casualty & Surety Underwriters Assn. of Virginia will meet Nov. 25 to organize the Insurance Club of Richmond. The purpose will be closer coordination between the fire and casualty agents and the field men on problems of mutual interest and also bring them into closer social contact.

The Mutual Insurance Agency, Martinsville, Va., has changed its name to W. T. Turner, Inc.

National's Veterans Elect

Peter A. Finnegan was elected president of the 25-Year Club of National Fire at its annual banquet and meeting in Hartford. Wilson D. Beebe is vice-president; Floyd W. Steiner, secretary; Carl G. Hall, treasurer. Present membership of the club is 121, of whom 102 are still active.

Talk on Coal Industry

ST. LOUIS—James A. Worsham, executive secretary St. Louis Coal Merchants Assn., spoke to the Insurance Board of St. Louis on the coal industry.

At the meeting Dec. 3 Julian Jaekel, St. Louis attorney, will speak on "Law of Negligence as It Pertains to Liability Insurance."

The board will open its class on steam boiler insurance Dec. 9, with Charles A. Henrich, St. Louis manager of Hartford Steam Boiler, as lecturer.

EAST

Boston Library Assn. Has First of Discussion Series

BOSTON — The Insurance Library Association of Boston held the first of series of five discussion meetings on "Allied Fire Lines." As more enrolled than the capacity of the room permitted, it was necessary to repeat the discussion at another meeting the next day.

Extended Coverage Discussed

The first meeting, under the leadership of H. Clarke, Springfield F. & M., was on extended coverage endorsement No. 4.

Subsequent discussions will be on use and occupancy, rents, improvements, reporting forms, automobile fire and theft, tuition fees, etc. They will be led by Al. H. Stafford, North British & Mercantile; T. W. Keany, American; P. Forbes, North America, and J. N. Duffey, Springfield.

Uses Plane to Cover East for U. S. Aviation Group

Arnold H. Johnson now is stationed at Washington as special representative of the eastern department of U. S. Aviation Underwriters. He is covering New Jersey, Pennsylvania, Delaware, Maryland, Virginia and West Virginia, and in doing so is using one of the company's planes.

Mr. Johnson started with Aetna Casualty as an underwriter in the special risk department at the home office. He served in the air force and had 25 missions as a B-24 pilot with the 15th air force in Italy. He returned to U. S. Aviation Underwriters in July, 1945, as an underwriter.

N. E. Board Meets Nov. 19

BOSTON — The annual meeting of the New England Advisory Board will be held in Boston Nov. 19. There will be election of officers and reports of committees, a report on the 1947 convention plans, and a discussion of com-

WHERE TO PLACE YOUR BUSINESS

A guide or directory of responsible and adequately equipped local agents. These offices have nation-wide facilities for handling your out-of-state business.

ALABAMA

Lee McGriff INC.

INSURANCE & SURETY BONDS
WATTS BUILDING
Phone 7-3114-5 BIRMINGHAM, ALA.

FLORIDA

WRIGHT & SEATON, INC.
INSURANCE
West Palm Beach, Florida

ILLINOIS

CRITCHELL - MILLER
INSURANCE AGENCY
Established 1868
Insurance Exchange Building
CHICAGO

Eliel and Loeb Company
Insurance Exchange
Chicago

FRED. S. JAMES & Co.
Since INSURANCE 1872
One North La Salle Street
CHICAGO
CENTRAL 7411
New York San Francisco

Marsh & McLennan
Incorporated
Insurance
Federal Reserve Bank Bldg.
164 W. Jackson Blvd. Chicago

Moore, Case, Lyman & Hubbard
General Agents
175 W. JACKSON BLVD.
CHICAGO
Wabash 0400

ROLLINS BURDICK HUNTER CO.
231 S. LaSalle St.
Chicago
Telephone: Andover 5000
New York Seattle

LOUISIANA

LEON IRWIN & CO., Inc.
Established 1895
New Orleans, La.

MICHIGAN

Detroit Insurance Agency
G. W. Carter, Pres.
H. L. Newman, Vice-Pres.
Louis J. Lepper, Sec.-Treas.
Fisher Bldg. Detroit, Mich.

MISSOURI

Lawton-Byrne-Bruner
INSURANCE
Saint Louis

OHIO

Walter P. Dolle & Co.
"Insures Anything Insurable"
Dixie Terminal Building
CINCINNATI
Submit Your Proposition to Us

WISCONSIN

Chris Schroeder & Son, Inc.
210 E. Michigan St., MILWAUKEE
Engineering Service — All Lines
The largest insurance agency in the State of Wisconsin

missions as affected by state regulatory legislation, and the future financing of the National association by quotas:

N. J. Steering Group Meets

NEWARK—The executive committee of the New Jersey Assn. of Insurance Agents is meeting in Newark Nov. 14. It is expected that at this meeting a date will be set for a special meeting for final decision on the paid secretary of the association.

The annual dinner of the Insurance

Club of Washington will be held Nov. 20, at the Mayflower hotel. The speaker will be Guy T. Warfield, Jr., N.A.I.A. president.

Willard Crotty, vice-president of the Dallas Insurance Agents Assn., was one of the representatives of the International Congress of the U. S. Junior Chamber of Commerce, which presented Secretary of State Byrnes a scroll honoring the work of the United Nations delegation. Mr. Crotty is chairman of the contact committee of the International Congress.

A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

DIST. OF COLUMBIA

1921 — 25TH ANNIVERSARY — 1946
NICHOLS COMPANY
INSURANCE ADJUSTMENTS
REPRESENTING COMPANIES ONLY
ALL LINES — 24 HOUR SERVICE
WASHINGTON, D. C.
Richmond, Va. Baltimore, Md.
Winchester, Va. Hagerstown, Md.

WILSON ADJUSTING CO.
INVESTIGATORS
ADJUSTERS FOR INSURANCE COMPANIES
ON ALL TYPES OF CLAIMS
District of Columbia and Adjacent Territory
CHARLES E. WILSON
JOHN F. COONEY
721 Dearlike Building Washington, D. C.
National 8850 Night Phone: DEcatur 7299

FLORIDA

S. W. CARSON, Insurance Adjuster
All Lines
Serving Central Florida from Two Offices
104 E. Jefferson St. 139 Ivy Lane
Orlando Daytona Beach
Phone 2-1649 Phone 2282
16 Years Experience

ILLINOIS

Phone Harrison 3230
THOMAS T. NORTH, INC.
Adjusters All Lines
175 W. Jackson Boulevard, Chicago 4

PHONE 2-4441 DAY OR NIGHT
FRED A. MARTIN
CASUALTY ADJUSTER
790 First National Bank Bldg.
PEORIA 2, ILLINOIS
Over 21 years experience

J. L. FOSTER
314 First National Bank Building
Springfield, Illinois
Fire • Automobile • Casualty

INDIANA

EUGENE McINTYRE
Adjustment Co.
All Lines of Automobile, Casualty and
Inland Marine
Eight East Market Street
Indianapolis
Branch Offices: Muncie, Indiana and
Terre Haute, Indiana

IOWA

RAY L. LAWLOR, INC.
Higley Building, Cedar Rapids, Iowa
Phone 2-1111
INSURANCE ADJUSTERS
Fire, Marine & Kindred Lines
ALSO
City National Bank Building
Omaha, Nebraska Phone: Jackson 6394

MICHIGAN

WAGNER AND GLIDDEN, INC.
TOPLIS AND HARDING, INC.
INSURANCE ADJUSTMENTS
ALL LINES
Chicago New York
Los Angeles Detroit

N. S. WOODWARD COMPANY

INSURANCE ADJUSTERS
412 F. P. Smith Building
FLINT 3, MICHIGAN

MICHIGAN ADJUSTMENT BUREAU, INC.

Adjusters—All Lines
Home Office
Lansing 7, 296 No. Capital Ave.
Branches: Detroit—Saginaw
Grand Rapids—Kalamazoo

OHIO

THOMAS D. GEMERCHAK
INDEPENDENT ADJUSTER
FIRE, WINDSTORM, INLAND MARINE
CARGO AND AUTOMOBILE LOSSES
365-4 Great Lakes Life Bldg., Cleveland 14, O.
Phones: Off. Su. 2866 — Res. Fa. 9442
26 years experience

OKLAHOMA

WOODARD CLAIM SERVICE

Insurance Adjusters
403 Trademans Bank Building
Oklahoma City, Oklahoma
Investigation — Adjustment — Subrogation
All Insurance Lines Night
Phone 4-5782
Day 2-9427 5-9662

HORTON CLAIMS SERVICE

Home Office
938 Hightower Bldg., Oklahoma City, Okla.
Adjusters for all lines.
Branch Offices
Tulsa, Beacon Bldg. Lawton, Koehler Bldg.
"Home Office Trained Management"

WASHINGTON

BEN I. HAYMAN
GENERAL ADJUSTER
Serving South Central Washington and
Yakima Valley
YAKIMA, WASH.
210 Larson Building
Telephone 24100

CANADIAN

Survey Shows Auto Rate Rise Justified

MONTREAL — An increase of at least 3% for private passenger auto P.L. and P.D. rates seems warranted in Canada because of loss experience of the last 18 months, according to C. H. Frederickson, actuary Canadian Underwriters Assn. who at the request of various insurance departments has conducted a survey of automobile experience throughout Canada for the 1½ year period ended June 30. He predicates his estimate on the assumption that the loss ratio for Ontario should not exceed 53% and for the rest of Canada not over 52½%.

For the \$25 deductible a 10% increase is justified, his survey shows, and for \$50 deductible the indicated necessary rise is 18%. Collision \$100 deductible warrants a 35% advance; fire and theft combined could be reduced 9% and fire alone could be cut 62%.

Increased rates also are called for on commercial auto insurance, he reported. A 7% rise is suggested for P.L. and P.D. and 1% on \$25 deductible collision; 10% on \$50 deductible collision; 22% on \$100 deductible collision; 7% on fire and theft combined, and 37% on fire alone. The over-all average increase in rates would have to be around 7%.

It has been rumored persistently there will be increases in auto rates in Canada as of Jan. 1 varying from 10 to 20%.

To Expand in West

WINNIPEG — Expansion plans are being formulated by the Western Canada Insurance Underwriters Assn. First step will be the establishment of a branch office in Edmonton.

Cunningham with Springfield

Gerald J. Cunningham has been appointed inspector for Ontario of Springfield F. & M. with office in Toronto. He is a son of A. Cunningham of Phoenix of London.

Sutherland Nova Scotia Deputy

Douglas H. Sutherland has been appointed deputy superintendent of insurance of Nova Scotia. He will serve also as deputy registrar of joint stock companies.

Rolland Heads Quebec Brokers

As a result of the death of T. V. Depatie, Stuart Rolland has been named president of the Insurance Brokers Assn. of the Province of Quebec. Norman Clelland becomes vice-president.

MARINE

Specific Details Not Required in Jewelry Theft

NEW YORK—Insured was relieved from giving completely specific details in the loss of more than \$24,000 worth of diamonds in a suit by Altis R. Clements against St. Paul F. & M. Clements was assignee of the claim which he took over from a jeweler. The decision was handed down by Justice Botein of the supreme court of New York county.

Could Not Identify

A jeweler's block policy was involved. Attorneys for St. Paul, the firm of Hartman, Sheridan, Tekulsky & Donoghue, asked the court for an order to require Clements to give a detailed statement of the diamonds that were lost, where and when each diamond

was acquired by insured, and the price paid for each.

The insured, represented by Alex Davis of Goldstein & Goldstein, claimed that he could not definitely identify any particular diamond as having been purchased from any particular concern. However, he was willing to give names and addresses of all concerns from which he had purchased diamonds and the bills from those concerns. Insured asked the court to relieve him from setting forth the details as to each of the diamonds.

The court granted the request of insured, relieving him from giving the particulars in the form requested. Justice Botein added that in his opinion insured's explanation as to his inability to submit more precise particulars was required was persuasive.

Holding Establishes Precedent

The holding, which apparently will not be appealed, establishes something of a precedent under the jeweler's block policy and may influence settlement and court decisions on losses involving burglary policies since they contain a warranty that insured will keep a detailed and itemized inventory of all property in such a manner that the exact amount of loss can be determined therefrom by the insurance company. Heretofore New York courts consistently have held that particulars must be given in such losses.

P. R. Smith Portland Manager

PORTLAND, ORE.—R. A. Clancy & Co., average adjusters and insurance brokers, have appointed Peter R. Smith manager of the Portland branch.

A graduate of the University of Oregon and Amherst College, he has been in charge of the marine department of the firm in Seattle. He was in the army four years and was discharged as a captain.

MOTOR

Option to Repair Gives Assured No Choice

After an insurer exercises its option to have an automobile repaired, instead of paying the loss in money, the assured has no choice in the matter except to acquiesce in the matter. If the shop had not repaired the car, as it should have been, the insured would have had his remedy, but it would not have accrued until the insurer failed to have the car repaired in the proper manner.

This was the decision of the Texas court of civil appeals, Amarillo, in reversing the decision of the lower court in Sentinel Fire vs. Anderson.

Anderson had a \$50 deductible collision policy with Sentinel. The adjuster got three bids for repairs, one for \$180, another for \$244 and the third for \$313. Cactus Body & Paint Shop, the low bidder, was given the job and the car was taken there. Later the insured and his father visited the Cactus shop and for some reason decided to have the repairs made by Lubbock Auto Co., which had submitted the \$313 figure. The car was removed to Lubbock Auto, the job done and Anderson demanded payment of Sentinel.

Anderson, the court held, was not warranted in arbitrarily denying to Sentinel its right under the option clause and then pay an expense materially greater than that which would have been incurred had it been permitted to exercise its option and have the car repaired at a place of its own choice.

Quits \$25 Deductible

LOS ANGELES — Vice-president Fred W. Sullivan of the Pacific department of the Loyalty group has notified agents that no \$25 deductible form of collision insurance on automobiles will be written, effective Jan. 1, 1947.



1896 The needs of American business for corporate suretyship led to the formation of United States Fidelity and Guaranty Company.

Today its 8,000 agents help safeguard business and the individual by writing practically all forms of fidelity and surety bonds and casualty insurance policies.

U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY CO.

HOME OFFICE: BALTIMORE 3, MD.

affiliates

FIDELITY & GUARANTY FIRE CORP., BALTIMORE

FIDELITY INSURANCE CO. OF CANADA, TORONTO

Consult your insurance agent or broker  as you would your doctor or lawyer

What's happened to that home of yours?

It's gone sky-high in value, along with the furnishings in it. Business and industrial properties are 'way up, too!

Have your Fire Insurance and Extended Coverage kept pace? Better check up now—with an eye on today's insurable values. Make sure your home—and its contents—are adequately protected.



Maybe fire insurance costs too little

If the cost of Fire Insurance were higher, you'd probably pay more attention to it. Few realize how much value you get today for your premium dollar . . . how broad the protection is under today's policies, although the cost of Fire Insurance has declined!



Look out...it may be a booby trap!

Don't take chances with that hard to replace car. Handle it with care! And be sure you're covered by broad, modern automobile insurance protection!



Successful "business" trip

Burglary is *his* business . . . and he may call at your house next. Be ready! Hartford Residence and Outside Theft Insurance protects all members of your family living in your house, covers property at home or when traveling in the Western Hemisphere.

Another Hartford advertisement that will reach millions and help producers
YEAR IN AND YEAR OUT YOU'LL DO WELL WITH THE HARTFORD



Let him assist you balance the scales!

Your Hartford agent or your insurance broker can help you balance your protection against present-day property values. He will be glad to advise you—call or see him today.

Hartford Insurance

Hartford Fire Insurance Company • Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company

Writing practically all forms of insurance except personal life insurance • • Hartford 15, Connecticut

ales!

ker
nst
lad

e

company

nnecticut

XUM